

Clinton's big day

Full page: his team and his country

Page 4

Aids in the workplace

How companies respond around the world

Page 8

Bosnia and Iraq

Need for a lead from the US

Page 12

Building a green office

Environmentally sound and economical

Page 10

FINANCIAL TIMES

Europe's Business Newspaper

WEDNESDAY JANUARY 20 1993

D8523A

Helicopter maker in development deal with Russia

Franco-German helicopter manufacturer Eurocopter is to join three Russian companies to develop and market a 30-seat model which will be built in Moscow to compete with western-produced machines. Eurocopter is the first western helicopter group to establish an industrial partnership with the Russian industry. Page 14

YSL merges with Elf-Sanofi: French drug and perfume company Elf-Sanofi is to absorb Yves Saint Laurent to create the world's third biggest beauty products company. Page 15

Thyssen to raise steel prices: Germany's biggest steelmaker, Thyssen Stahl Group, reported first-quarter sales down 16 per cent to DM2.5bn (\$1.57bn) and said it would raise prices in the spring. Further job cuts are expected as part of the group's restructuring efforts. Page 16; Producers link up, Page 16

Fresh mission for Bosnia's mediators: Mediators Cyrus Vance (left) and Lord Owen are to visit Zagreb and Sarajevo today to try to end a flare-up of fighting between Muslims and Croats, while the Bosnian Serb parliament debates the mediators' proposals for a new Bosnian state. Page 14

Brussels seeks G7 meeting: The European Commission wants a special meeting of Group of Seven finance ministers to strengthen monetary co-operation between the EC and the incoming Clinton administration in the US. Page 14

Threat to Japan's financial system: Up to Y5,800bn (\$46.8bn) in bad loans at loosely regulated non-banks - which lend funds usually provided by larger banks - could pose a threat to the Japanese financial system, according to a report. Page 6

Kenya frees prisoners: The Kenyan government freed its last four political prisoners in a goodwill gesture towards domestic and foreign critics after President Daniel arap Moi's disputed election victory last month. Page 6

Kantor's fears over trade deal: Mickey Kantor, nominee for US trade representative in the Clinton administration, said he was concerned about the US-EC agreement over farm trade and would "look carefully" at the pact. Page 3

JAL passes dividends: Japan Airlines, which is to implement a restructuring programme aimed at reversing pre-tax losses forecast at Y50bn (\$398m) for the year ending March, said it would not pay a dividend. Page 19

Hong Kong police criticised: A judge investigating a New Year stampede in which 21 young people were crushed to death in a Hong Kong nightlife district, said in an interim report that police failed to control the size of the crowd.

ITT to restructure financial arm: US conglomerate ITT is to take a \$612m fourth-quarter after-tax charge to cover a restructuring of ITT Financial. It plans to concentrate the finance subsidiary's energies on its more profitable businesses, which range from consumer home equity loans to capital finance. Page 15

Bright prospects for motor sector: The UK's Japanese car plants will raise annual demand for parts to \$5.7bn (\$8.7bn) by 1996 from \$5bn last year, according to a study of the motor components industry's prospects. Page 7

Privatisation rules for Brazil: Investors fear Brazil's privatisation plan may not be viable after the government of President Itamar Franco announced rules which confirmed Franco's direct command over the process and barred state companies' pension funds from taking part. Page 5

Thailand seeks investors: Thailand hopes to persuade new investors to look beyond Bangkok by introducing tax incentives which emphasise development in the provinces. Page 6

Inflation on target: The UK government is confident its target for inflation of between 1 and 4 per cent will be met despite rising prices in the wake of sterling's devaluation. Page 7

Avalanche bodies recovered: A total of 53 bodies have been recovered from the snow in Ozeungler village, north-east Turkey, which was hit by an avalanche.

STOCK MARKET INDICES		STERLING	
FT-SE 100	2,737.5 (-25.5)	New York lunchtime	1,581
Yield	4.44	London	1,581
FT-SE Euroshare 100	1,080.81 (-6.34)	Paris	1,546 (1.549)
FT-A All-Share	1,320.19 (-0.8)	Madrid	2,485 (2.502)
Nikkei	16,798.84 (+181.40)	Frankfurt	8.44 (8.472)
New York lunchtime	3,276.52 (+1.82)	S&P 500	2,282.5 (2.295)
Dow Jones Ind Ave	3,276.52 (+1.82)	Y	194.5 (194.75)
S&P Composite	436.74 (-0.10)	£ Index	81.3 (81.6)
US LUNCHTIME RATES		DOLLAR	
Federal Funds	3% (closed)	New York lunchtime	1,581
3-mo Treas Bill Yld	3.040% (closed)	London	1,581
Long Bond	7.225% (closed)	Paris	1,546
3-mo Libor	3% (78)	Madrid	2,485
Little long fut. Mar 99	99.99 (Mar 99)	Frankfurt	8.44
NORTH SEA OIL (Argus)		S&P 500	2,282.5
Brent 15-day Mar	\$17.25 (17.45)	Y	194.5
WTI	\$17.25 (17.45)	£ Index	81.3
New York Comex	\$328.8 (328.15)	Tokyo close	Y 125.46
London	\$328.8 (328.15)		

Austria	Sch30	Germany	Dr300	Lux	Lfr60	Qatar	QR12.00
Bahrain	Dh1.250	Hungary	Fl182	Malta	Lmd50	S Arabia	SR11
Belgium	Bfr180	Iceland	kr180	Monaco	MC215	Singapore	S\$4.10
Bulgaria	Lv25.00	India	Rs40	Neth	Fl 3.75	Spain	Pes200
Cyprus	C\$1.00	Indonesia	Rp2000	Nigeria	Naira20	Sweden	SKr15
Czech	Kcs35	Israel	Sh5.50	Norway	Nkr16.00	Switz	Sfr40.20
Denmark	Dkr15	Italy	Lira200	Oman	OMR10	Syria	S\$50.00
Egypt	E\$2.50	Jordan	Jd1.00	Pakistan	Pes35	Thailand	Bht50
Finland	Fmk12	Korea	Won200	Philippines	Pso45	Tunisia	Dtn1.250
France	Ffr5.50	Kuwait	Kwd1.00	Poland	Zl22.00	Turkey	Lira200
Germany	Dm3.30	Lebanon	US\$1.25	Portugal	Esc215	UAE	Dh11.00

US sends more warships ■ Russia voices west's fears over level of military action

Saddam tests allies with ceasefire offer

By Our Foreign and Political Staff

IRAQ last night offered the US and its allies a ceasefire from 8am GMT today in a move apparently designed to test the intentions of the incoming Clinton administration and take advantage of growing unease in the west at continued military action.

The Iraqi Revolution Command Council said it would stop shooting, provided the allies did the same, in order to give the new US administration "time to study the no-fly zones in the north and south", and to "establish a constructive dialogue".

Reports from Baghdad suggested that Iraq had given approval for the resumption of UN flights carrying weapons inspectors, but it was unclear whether this would depend on acceptance of the ceasefire. Iraq

PAGE 6
■ Gulf states uneasy over attacks
■ Iraq ready to reopen diplomatic doors
PAGE 12
■ Edward Mortimer: the need for a US lead

had previously banned the flights and then imposed conditions unacceptable to the UN.

Iraq's offer came after US military aircraft again attacked targets in the northern air exclusion zone, and Washington announced that another aircraft carrier and three more warships were on their way to the eastern Mediterranean.

UN Security Council members were summoned for closed-door consultations last night amid signs of alarm about the inten-

sity and persistence of coalition military operations.

This concern was exemplified in statements in Moscow, which seemed to conflict with earlier Russian government support for the allied response to Iraq's non-compliance with Security Council resolutions.

US officials acknowledged strains with Russia over the escalation of the conflict although they said the US was still acting in unison with the UK and France, its two principal partners in the coalition.

In London, evidence of growing disquiet at British government policy on Iraq prompted officials to hint that Prime Minister John Major had acted to restrain the US in a series of telephone calls to President George Bush at the weekend.

France also indicated its reserve about US attacks near Baghdad, but defended the legal-

ity of the allied air strikes in the two air exclusion zones in which French Mirages took part.

In Washington Mr Pete Williams, the chief Pentagon spokesman, said yesterday that "the coalition engine... isn't perfect. From time to time it needs oiling here and there".

He added that Iraq kept "sticking a toe over the line" by moving fighter aircraft a few miles inside the no-fly zone which is being enforced by the three allies to protect Iraq's Kurdish population north of the 36th parallel.

US F-14 and F-4G aircraft fired at Iraqi anti-aircraft guns and air defence radars in the northern no-fly zone in incidents described by US officials as "defensive attacks".

Mr Martin Fitzwater, the White House spokesman, refused to rule out further allied attacks on Iraq in the final hours before Mr Bush hands over the presidency to Mr

Bill Clinton at noon in Washington today. "We certainly would not hesitate to respond if necessary," he said.

Mr George Stephanopoulos, Mr Clinton's spokesman, repeated that the new administration would continue Mr Bush's policy of insisting that Iraq complies fully with UN resolutions.

Some of Mr Clinton's advisers are reported to be arguing for a sharp escalation in bombing, a strategy also favoured by some senior Pentagon commanders. Weapons depots and troop concentrations would be targeted with the aim of driving home to Iraqi army commanders that it is they who will pay the price if Mr Saddam remains in power.

The Los Angeles Times reported that General Colin Powell, chairman of the Joint Chiefs of Staff, had on Sunday laid out his recommendations to Mr Clinton, arguing that a more aggressive

strategy is needed to seize back the initiative from the Iraqi leader.

A UN spokesman stressed that the main purpose of last night's consultations was to hear an assessment by Mr Rolf Ekeus, head of the UN Commission set up to identify and eliminate Iraq's weapons of mass destruction. That operation has been largely paralysed by Iraq's latest series of violations.

Mr Boutros Boutros Ghali, the UN secretary general, yesterday proposed the deployment of a substantial military force, including three infantry battalions, to protect Kuwait against Iraqi border incursions.

The present observation mission, known as Unikom, is unarmed and unable to deal effectively with incursions, as was shown last week when Iraqis repeatedly entered Kuwaiti territory.

Clinton's last day as president in waiting

By Jurek Martin in Washington

AT NOON today Mr Bill Clinton becomes the 42nd president of the US. Yesterday he spent a few quiet moments on a cold morning at the grave of the man who inspired him to take up a political career. President John F. Kennedy.

Mr Clinton, his wife Hillary and about 20 members of the Kennedy clan placed white roses on the graves of the two assassinated Kennedy brothers. He read the inscriptions on their tombstones, but said nothing.

He hardly needed to, because it is the stuff of legend (and captured on film) how, just four months before Kennedy was killed in Dallas in 1963, the gangly 17-year-old youth from Arkansas, as a member of the American Legion's Boys Nation, shook hands with the president at the White House.

There is an additional symbolism to the tribute. At 46, Mr Clinton is three years older than JFK when he assumed office, yet both represent the ascent of a younger generation of Americans to the seat of power. It is more than likely that Mr Clinton will again invoke the example and memory of his idol when gives his inauguration speech today.

Most of Mr Clinton's last full day as a president-elect had a youthful theme. He took his customary morning jog and later was to attend a couple of galas mostly for the young. He interspersed this with a lunch for the governors of the 50 states, "our laboratories in democracy", he told them.

Elsewhere, serious business was afoot, with new US bombing raids over northern Iraq and evidence of dissent from members of the US-led coalition forces. On



President-elect Clinton prays at the grave of John F. Kennedy

Capitol Hill, more confirmation hearings for his cabinet nominees were under way.

At least from Congress there was good news for Mr Clinton. The Senate foreign relations committee unanimously approved Mr Warren Christopher as secretary of state, the necessary prelude to confirmation by the full Senate, probably later today. Mr Mickey Kantor, named to be trade representative, got a similar blessing from the finance committee.

The judiciary committee heard

an apology from Ms Zoe Baird, the attorney general-designate, for having employed two illegal aliens. More to the point, his senior Republican, Mr Orrin Hatch of Utah, said the incident was no disqualification to her serving as head of the justice department.

Aides to Mr Clinton promised that as many as 100 sub-cabinet level appointments would be

Continued on Page 14
Rallying call, Page 4

IBM plunges to \$4.97bn loss

By Louise Kehoe in San Francisco

INTERNATIONAL Business Machines confirmed investors' worst fears yesterday by reporting year-end net losses of \$4.97bn, the biggest annual loss in corporate history, as sales of its mainframe computers dropped sharply in the fourth quarter.

"Our financial results are not acceptable to us or to shareholders," said Mr John Akers, IBM chairman, adding that "difficult problems remain ahead for IBM."

The fourth quarter proved to be IBM's worst ever. Analysts had been expecting a break-even quarter, based upon IBM's warnings issued in December. However, the company provided little cause for optimism

about its performance in the short term. The outlook for early 1993 remains "unfavourable", IBM officials told analysts.

Net losses for the quarter were \$5.46bn, against losses of \$1.46bn last year. Revenues declined almost 11 per cent to \$19.56bn from \$21.97bn.

IBM took pre-tax restructuring charges of \$7.2bn in the fourth quarter, bringing total charges for the year to \$11.6bn as it struggled to reduce costs by shedding 40,000 workers and cutting back manufacturing capacity.

Net losses for the year were partly offset by a gain of \$1.43bn from a change in accounting for income taxes. Revenues for the year fell 0.4 per cent to \$64.52bn from \$64.77bn in 1991 when IBM suf-

fered a net loss of \$2.86bn after charges of \$3.7bn for cutbacks.

IBM said it saw a "pronounced" decline in sales of mainframe computers and data storage systems in the fourth quarter. Sales of its AS/400 mini-computers, which had been strong earlier in the year, fell by more than 10 per cent in the final quarter.

Sales in the US and Europe were down by "double digit" percentages in the fourth quarter while those in Japan declined by a "single digit" percentage.

Full year revenues from non-US operations were \$39.88bn, down 1.1 per cent from 1991, with

Continued on Page 14
Editorial Comment, Page 13
Background, Page 15

CONTENTS		FT ACTUARIES		RECENT ISSUES	
News	1	FT World Actuarial	36	Share Information	26,27,36
European News	2	Foreign Exchanges	32	Traditional Options	20
Companies	13	Equity Options	20	London SE	25
Leaders Page	13	Int. Cap Mktcs	20	Wall Street	33,36
Letters	18	Int. Bond Service	20	Bourses	33,36
Management	2	Managed Funds	28-32		
Observer	10	Commodities	24		
UK News	7				
People	10				
Weather	14				

USING A FUTURES BROKER? SO YOU ENJOY PAYING TAX?

If you deal with a futures broker, you pay tax on any gains. Speculate direct with IG Index, Britain's leading financial bookmaker, and HM Treasury won't see a penny of your winnings*. And that applies to the Footsie, Wall Street, Hang Seng, Currencies, or almost anything else.

More good news. Our dealing room offers much longer hours for the Footsie and Wall Street. You get immediate executions on our quote. And you can put a guaranteed limit on any losses.

Call Michael Murray or Ian Jenkins on 071 828 7233 for a copy of our guide to 'Betting on the world's financial markets'. Or complete and return the coupon.

NB: Prices of futures and options move up and down very rapidly indeed. Never speculate with money you cannot afford to lose.

*Under current legislation which is subject to change.

IG INDEX
BEST IN FINANCIAL BOOKMAKING
IG Index Plc, 9-11 Grosvenor Gardens,
London, SW1W 0BD Telephone: 071 828 7233

To: IG Index Plc. Please send me more information on IG Index and call me with details of the service.

Name _____
Address _____
Postcode _____
Tel: Day _____ Evening _____

NEWS: EUROPE

Kohl cabinet changes fail to raise hope

By Quentin Peel in Bonn

GERMAN Chancellor Helmut Kohl yesterday announced the promotion of four new ministers to his cabinet, and axed the jobs of seven junior ministers, in a reshuffle intended to revitalise his ailing coalition.

Immediate reaction to the long-awaited and accurately predicted shake-up was sceptical, with political observers saying the new faces in the government were scarcely likely to make a big electoral impact.

The most important job in the reshuffle was that of economics minister, following the surprise New Year resignation of Mr Jürgen Möllemann. The only involuntary move was the replacement of Mr Heinz Riesenhuber, the research and technology minister since the start of the Kohl administration in 1982.

However, the man with potentially the most challenging portfolio will be Mr Wolfgang Böttcher, who replaces Mr Christian Schwarz-Schilling as minister for post and telecommunications, with the task of overseeing the reform and eventual privatisation of Deutsche Telekom.

The fourth job in the reshuffle, that of agriculture minister, sees the retirement of Mr Ignaz Kiechle, the bluff Bavarian

man who has been one of the most cheerful and staunch defenders of the Common Agricultural Policy in Brussels since 1983.

He is being replaced by Mr Jochen Borchert, a Christian Democrat (CDU) from North Rhine-Westphalia, who is himself a farmer and trained agricultural engineer.

The new economics minister is, as expected, Mr Günter Rexrodt, the nominee of the minority Free Democrats (FDP) in the coalition, who is currently the director of the Treuhand privatisation agency in Berlin responsible for the textile industry.

He was formerly the Berlin city senator responsible for finance, and in 1990-1991 the chairman of Citibank's German subsidiary in Frankfurt.

Mr Riesenhuber's replacement is 43-year-old Mr Matthias Wissman, currently economics spokesman for the Christian Democrats in the Bundestag, and from 1973 to 1983 chairman of the youth wing of the party.

The oldest in the group is Mr Böttcher, who has hitherto been leader of the Christian Social Union group in the Bundestag, the Bavarian sister-party of the CDU.

He is seen as a close ally of Mr Theo Waigel, the party leader and finance minister.

Signals differ in Bonn and Frankfurt

By Christopher Parkes in Frankfurt

THE German government yesterday issued its gloomiest 1993 economic forecast to date as the Bundesbank shrugged off warnings of lasting recession, either at home or abroad.

International growth this year would be modest, especially in the G7 countries, but there was no threat of collapse, according to Mr Otmar Issing, who is a leading member of the central bank's directorate.

Recovery in the US was already showing signs of robustness, he said in an interview.

However, the German Economics Ministry warned at the same time that "a painful, long-lasting recession" in Germany could be avoided only if pay and public spending were controlled sufficiently to allow the central bank to cut interest rates.

Downgrading its forecasts, the ministry said gross domestic product in the west would shrink this year by around 1 per cent, after growing overall by a real 1.5 per cent in 1992.

Mr Issing acknowledged the domestic economy's fading fortunes, but said short-term growth prospects were not decisive.

"What matters is whether, after weak first and second quarters, we move into an upswing in conditions which make recovery sustainable. We do not need a short burst of activity but stable and lasting growth," he added.

Mr Issing's comments underlined Bundesbank hardliners' determination to maintain tight control over monetary policy despite some indications of wavering among other central council members.

It is understood that regional members, worried by the domestic economic situation and unemployment in particular, failed by only the narrowest voting margin to force cuts in key Lombard and discount rates at the council's last meeting on January 7.

"We view the threatening increase in unemployment with great concern," Mr Issing said.

"On the other hand the Bundesbank is guided primarily by monetary developments."

Anyone who said inflation was no longer a problem had found acceptable rates of price increases which did not tally with the Bundesbank's legal obligations to maintain stability, he said.

Mr Issing's remarks on recession also appeared to be intended to help counter the slump in business and popular confidence within Germany and pre-empt possible interest rate speculation before Thursday's meeting of the bank council.

There was little reason to fear self-perpetuating recession in Germany, Mr Issing claimed.

The country had successfully avoided the danger of asset inflation through "excessive developments" in the construction sector.

"This means there are no grounds for concern that Germany will take a relatively long time (as in other G7 countries) to find the basis for an upswing," he added.

Reductions point to easing of monetary policy in Europe

Three states cut interest rates

By James Blitz, Economics Staff

THERE were new signs yesterday of an easing in European monetary policy after three central banks announced cuts in their main money market interest rates.

In a concerted move, both the Belgian and Dutch central banks lowered their main dealing rates by 10 basis points. The Netherlands cut its special advances rate to 8.4 per cent, while the Belgian National Bank reduced its central rate to the same level.

The Dutch authorities said they were able to cut their dealing rates because of the continuing strength of the guilder inside the European exchange rate mechanism.

Denmark's central bank also

lowered by one percentage point - to 12 per cent - the rate at which it lends money to commercial banks for two weeks. The move had little impact on the Danish krone, which has been under pressure inside the ERM in recent weeks. In the immediate aftermath of the rate move, the krone rose fractionally against the D-Mark from Dkr3.8530 to Dkr3.8500.

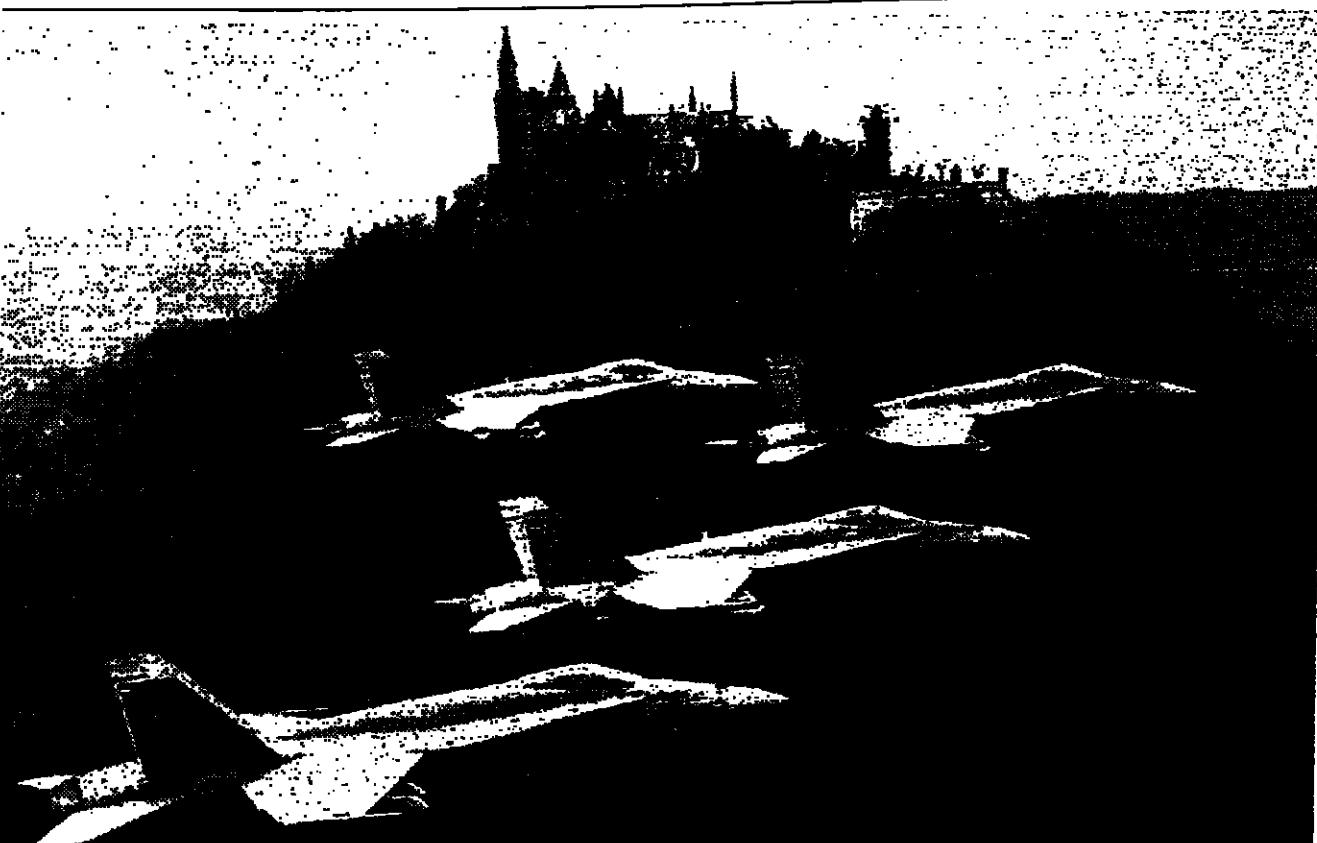
The decision to mark down

franc weakened slightly against the D-Mark.

The Bundesbank yesterday raised speculation that it could shave short-term money market rates again by announcing that it would revert to its usual practice of tendering for variable rate securities repurchase funds in today's weekly intervention in the German money market. The move means commercial banks can bid below the level of 8.6 per cent set by the Bundesbank last week as the cost of borrowing short-term funds.

Mr Hans Tietmeyer, Bundesbank vice-president, also helped sentiment by saying that the central bank would use all its scope to cut interest rates where this was justified. The bank's council holds its fortnightly meeting tomorrow.

Interest rates were seen as another indication that tensions inside the exchange rate mechanism are easing following the intense currency speculation of recent weeks. However, the cuts in interest rates failed to have much impact on money market rates in other European countries. The rate for 3-month French francs moved higher yesterday from around 11 1/2 per cent to around 11 3/4 per cent, as the



Canadian jets fly past Hohenzollern castle, near Stuttgart. Canada's air force yesterday left Germany after 40 years of deployment

Few Germans to escape package of spending cuts

By Quentin Peel in Bonn

VIRTUALLY every part of the German population will be hit by the package of spending cuts, future tax increases and immediate abolition of tax allowances proposed yesterday by the ruling German coalition.

The package represents the government's response to the soaring cost of German unification. Mr Theo Waigel, the finance minister, maintains that it is intended to be socially fair, with 70 per cent of the cost falling on the top 50 per cent of income earners.

Key elements include:

- reintroduction of the "solidarity surcharge" on income and corporation tax from 1993;
- road tax and petrol tax increase from 1994 (to pay for rail reform and debt);
- extension of 30 per cent tax on investment income to include interest payments from foreign investment funds;
- halving the tax allowance on mortgages for purchase of existing dwellings (no change for new buildings);
- increased tax on insurance policies (excluding fire and life insurance) to 12 per cent in July, 1993 and 15 per cent in January, 1995;
- central government payroll to be reduced by 1 per cent per annum in 1994 and 1995;
- there will be a reduction in unemployment benefits by 1 per cent for families, and 3 per cent for childless workers;

Opel, the German subsidiary of General Motors of the US, is to cut car production by about 15 per cent this year to allow for an estimated 19 per cent slump in domestic registrations, writes Christopher Parkes. According to Mr David Herman, managing director, total west European new car sales will fall 8 per cent this year, from 13.4m to 12.3m, mainly as a result of a further fall from 3.85m to 3.2m in Germany, where registrations fell 5 per cent in 1992. Opel's turnover rose 7 per cent to DM29bn (£12bn) last year.

- further cuts in defence spending of DM300m (£123.4m) in 1993, and DM700m per year from 1994-96;
- progressive reduction in income support to farmers, from 2.5 per cent in 1993 to zero by 1996;
- reduction in subsidies to coke and coal industries of DM855m by 1996;
- cuts in shipbuilding subsidies by DM160m 1993-95;
- means tests for children's allowances and education grants for infants;
- reduction in social assistance for asylum seekers by DM2bn per year;
- there will be a postponement of enforcing higher environmental and social standards for local services, such as sewage treatment and swimming pools.

Recall of Danish parliament urged

By Hilary Barnes in Copenhagen

MR UFFE Ellemann-Jensen, Danish foreign minister and leader of the Liberal party, launched a last-ditch attempt yesterday to prevent power slipping from the hands of the non-Socialist parties into the hands of the Social Democratic party. He demanded an immediate recall of the Folketing, or parliament, to debate last week's report of a judicial inquiry into the Tamagite scandal and called on the Social Democratic leader, Mr Poul Nyrup Rasmussen, to drop his current attempts to form an SDP government until the debate is held.

But the Liberal leader's manoeuvre, designed to force members of the Folketing to vote on

whether they would accept a change to an SDP administration after 10 years of Conservative-Liberal government without an election appeared last night to be doomed.

Mr Ellemann-Jensen needs signatures of 72 of the 179 members of the Folketing to force a debate, but it became apparent last night that he would not receive sufficient support. The Danish political

crisis began last Thursday when Mr Poul Schlüter, leader of the Conservative party and prime minister since 1982, resigned after being criticised for misleading parliament in the Tamagite scandal by the report of a judicial inquiry. After Mr Schlüter's resignation, Mr Rasmussen was called upon by Queen Margrethe to head negotiations for the formation of a new government.

Warsaw stops servicing revolving trade loan from martial law era

Poland tries to force through debt deal

By Christopher Bobinski in Warsaw and Anthony Robinson in London

POLAND is unilaterally announcing its intention to cut debt service payments on a \$1.1bn loan originally extended as a revolving trade facility in 1983.

The decision follows the appointment of Mr Krzysztof Krowczyński, the country's economic minister, to the post of chief negotiator for forthcoming talks with the London Club of commercial banks on \$13.3bn of loans which Poland

stopped servicing in the autumn of 1989.

Unlike the bulk of Poland's frozen commercial debt, Warsaw has continued until now to service the \$1.1bn loan which was extended after all other sources of credit dried up following the imposition of martial law in 1981. Warsaw's willingness to treat the revolving credit as a special case made it a favourite on the secondary market where it traded at a 20 per cent premium to ordinary blocked Polish debt.

It has now lost this special status. The Polish side argues

that the 80 per cent cut in payments from February 4 places all its London Club creditors on the same basis. Banks involved in the debt negotiations yesterday criticised the unilateral move while welcoming the appointment of a new debt negotiator after a two-year hiatus since the dismissal of Mr Janusz Sawicki in August 1991. An official statement said Poland was seeking an agreement with the commercial banks "which is within the country's economic possibilities" and is "comparable with Poland's other payments

agreements". This refers to Poland's search for an agreement similar to a 1991 deal with western government creditors in the Paris Club.

This agreed a 50 per cent cut in the value of outstanding debt by 1994, provided Poland obtained International Monetary Fund approval for its financial and budgetary policies in this period.

Poland's overall debt stood at \$49.4bn at the end of last year, of which \$3.7bn is owed to western governments. This year's budget sets aside \$940m for debt service payments.

Fear of sharing a bed with the 'Russian elephant'

Concerns about Moscow's political dominance may lead to a "two-tier" CIS, write John Lloyd and Chrystia Freeland

WHEN THE heads of the Commonwealth of Independent States meet in the Belarus capital of Minsk on Friday, they must agree a charter for an organisation that has been in crisis since its inception. They will probably fail.

While economically the CIS member states are deeply intertwined and heavily dependent on low energy prices from Russia, politically they lack the will and administrative structures to develop co-operative institutions.

The challenge will be to reconcile the demands for a downgrading of the commonwealth into the loosest of alliances - from states such as Ukraine - with calls for a strengthening of the organisation and the fulfilment of its decisions to date - from Kazakhstan and other central Asian republics.

The charter proposes a range of agreements to co-ordinate economic, foreign and defence policies - with common control of the external borders of the CIS and a common defence policy, both overseen by a new council of defence ministers. Free movement of goods, capital and labour between CIS

members operating a common economic zone would be mandatory, and a governing body located in Minsk would be empowered to impose sanctions on states which did not observe the charter.

On Monday, Mr Leonid Kravchuk, the Ukrainian president, said Ukraine would resist any attempt "to turn [the CIS] into a supra-national body subject to international law". Mr Kravchuk sees the draft charter of the CIS, prepared for the Minsk summit, as just such an attempt.

In an interview in Izvestia earlier this month, Mr Kravchuk said that "we must realise that we are sharing a bed with an elephant [Russia]: if it rolls over it can smother us".

However, Mr Nursultan Nazarbayev, the president of Kazakhstan, intends to demand in Minsk that the CIS be strengthened. Speaking after a meeting two weeks ago of the five Central Asian republics in the Uzbek capital of Tashkent, Mr Nazarbayev said that these states "will support a common rouble zone".

Mr Askar Akayev, president of Kyrgyzia, said at the same meeting that "it's important that the CIS become a functioning organisation, and not just a formal one."

ECONOMIC INDICATORS FOR CIS STATES

Jan-Aug 1992 percentage change over same period 1991.

	GDP	Ind output	Retail	Consumer sales	Wages Prices
Russia	-20.0	-16.6	-42.5	1080	651.0
Ukraine	-12.0	-19.7	-25.0	1014	630.0
Belarus	-15.0	-14.2	-28.3	820	605.9
Moldova	-22.5	-28.1	-55.0	1060	493.2
Azerbaijan	-21.8	-21.8	-65.0	810	328.4
Armenia	-44.7	-50.3	-74.0	-	193.5
Kazakhstan	-20.3	-14.4	-41.0	620	511.9
Uzbekistan	-20.5	-9.8	-40.1	410	338.8
Kyrgyzstan	-26.2	-21.7	-64.0	840	332.7
Tajikistan	-17.1	-17.1	-65.8	780	285.0
Turkmenistan	-10.5	-23.7	-36.8	570	458.7

* Aug 1991 - Aug 1992. ** Jan - Sep 1992 over same period 1991. 1 Jan-June 1992 over same period 1991. Source: CIS Committee for Economic, Social and Environmental Co-operation.

tioning organisation, and not just a formal one."

But not all the central Asian leaders seem to agree. Mr Saparmurad Niyazov, president of Turkmenistan, said in an interview with the Interfax news agency that new CIS co-ordinating bodies were "unnecessary" and that a rouble zone was impossible. "How can one speak of a rouble zone when in different villages the value of the rouble is different?"

Russia, the "elephant" of the Commonwealth, is torn both ways. Mr Vladimir Shumeiko, the first deputy prime minister, speaking last week, said that many experts now say that "Russia" should move to world prices for energy (sales to CIS) right away" - but added that, because of the disruptive effects on Russian industry, the move would not be taken immediately.

"A standard approach of moving to world prices should not be expected," he said.

The interdependence of the Commonwealth means that no change in one state is without

costs to others. Above everything else, decisions taken by Russia on oil supplies and their price go to the very heart of the other CIS countries' increasingly shaky economies - especially heavily industrialised Ukraine.

Ukraine had been used to consuming some 60m tonnes of oil a year - some 86 per cent of that from Russia. Its efforts to diversify its sources of supply have been limited in success: only one deal, with the National Iranian Oil Company, to supply 80,000 barrels of

crude a day, has been reportedly signed, but nothing so far has been delivered. In talks with Mr Boris Yeltsin, the Russian president, last week, Mr Kravchuk received a vaguely worded promise of 20m tonnes a year from Russia, essentially on a barter basis: this was better than the 15m originally offered, but will mean desperately hard times for Ukrainian oil users.

The proclaimed success of the Russian-Ukrainian talks is itself ambiguous. Though an oil deal was done, and through a guarantee from Russia of nuclear protection to Ukraine will - according to Mr Kravchuk - make it easier for the Ukrainian parliamentarians to ratify the treaty with the US on strategic arms reduction (Start), this was a bilateral deal, not one which strengthened the CIS. As Mr Kravchuk said on Monday, the "specific questions" which the states must address are matters for individual negotiation, not for general agreement.

The death of the CIS has been much mooted in the past year, as it became clear that none of the member states were willing to make serious efforts to render it effective

and that the needs of nation-building in each state were driving them apart rather than together. It is possible that a break may occur in Minsk - but more likely that a "two-tier" CIS will emerge, with an inner and outer core. In the inner core would be Russia, Armenia, Belarus, Kazakhstan, Kyrgyzia and Uzbekistan; and in the outer core, Ukraine, Turkmenistan and Moldova (though this state has never ratified the CIS agreement).

Azerbaijan, formerly a member of the CIS, has effectively left it, and Tajikistan, also a member, is presently in the grip of civil war and it is unclear what position it will take when stable government is restored. Georgia, where civil war also rages, has never participated in the CIS, though it may decide to join the "outer core"; while the three Baltic states of Estonia, Latvia and Lithuania would be unlikely to join even that.

Yet even this is unlikely to be stable - so pressured are all of these states and so drawn to make ever-closer relationships with states outside of the old USSR on their external borders. The long dissolution seems set to continue.

Serbian atrocities under fire from US

SERBIAN forces in Bosnia are conducting a campaign of calculated cruelty against Muslims that "dwarfs anything seen in Europe since Nazi times," the US State Department claimed yesterday. AP reports from Washington.

Civilians are the primary targets of military action in the former Yugoslav republic, making a mockery of the Geneva Convention, the department said in its annual human rights report to Congress. By the end of 1992, more than 1.5m people were displaced by the war, including an estimated one-half of the Muslim population, the report said.

All sides in the former Yugoslav republic are guilty of atrocities, but "the atrocities of the Croats and Bosnian Muslims pale in comparison to the sheer scale and calculated cruelty of the killings and other abuses committed by Serbian and Bosnian Serbian forces against Bosnian Muslims," the report said.

"The policy of driving out innocent civilians of a different ethnic or religious group from their homes, so-called ethnic cleansing, was practiced by Serbian forces in Bosnia on a scale that dwarfs anything seen in Europe since Nazi times," it said.

Ukraine gives debt pact details

DETAILS of an agreement dividing the foreign debts and assets of the former Soviet Union between Ukraine and Russia were released yesterday in Kiev, write Chrystia Freeland from Kiev and Leyla Boulton from Moscow.

According to the deal, signed in Moscow on Saturday, Russia and Ukraine have agreed to divide up the former Soviet Union's assets and debts and make separate arrangements for servicing their respective shares of the debt.

However, Mr Alexander Shokin, Russia's deputy prime minister responsible for the debt negotiations, said any agreement would have to be acceptable to the ex-Soviet Union's creditors and until now they had been unhappy about separate repayments.

All the former Soviet republics with the exception of Ukraine have announced claims to their share of the assets in exchange for Russia's assumption of their share of the debt. This has been the preferred solution of western creditors, who doubt the non-Russian republics' ability to pay and would prefer to deal with a single debtor state.

Dutch merger faces probe

THE European Commission has decided to open an in-depth investigation into the proposed merger between the Netherlands' three biggest paper and packaging companies, focusing specifically on their dominance of the Benelux print press market, writes Ronald van de Krol in Amsterdam.

The merger of KNP, Bührmann-Tetterode and VRG would create Europe's second-largest paper and packaging group, after Stora of Sweden.

Two of the prospective partners are agents for two rival German producers of printing presses - Bührmann for Heidelberg, and VRG for MAN-Roland. Together, they account for between 80 and 70 per cent of the Benelux market.

The Financial Times (Europe) Ltd
Published by The Financial Times Group
15, Broad Street, London EC2M 2DL
Telephone: 020 7556 3000
Telex: 666666
Fax: 020 7556 3001
Registered office: Number One, Southwark Bridge, London SE1 9PL
Company incorporated under the laws of England and Wales. Chairman: D.P. Palmer. Main shareholders: The Financial Times Limited, The Financial Times News Limited. Publishing director: J. Bolley. 108 Rue de Rivoli, 75004 Paris. Code 01. Tel: (01) 4377 0021. Fax: (01) 4377 0029. Editor: Richard Lambert. Printer: SA Nord Eclair, 1921 Rue de Caen, 75100 Paris Cedex 13. ISSN: 1148-2753. Commission Paritaire No 57808D.

Financial Times (Scandinavia) Ltd
Vimlestræket 42A, DK-1161 Copenhagen K. Denmark. Telephone: (33) 11 44 41. Fax: (33) 535332.

NEWS: WORLD TRADE

Poorest forced to play their part

By Frances Williams

THE Uruguay Round of global trade talks has marked a sea-change in the role of developing countries in the world economy.

Previous rounds have been confined mainly to the leading traders, with other Gatt members on the sidelines. This time, 65-70 nations are taking part in the talks, most of them from the third world.

The change reflects a fundamental shift in attitudes within developing countries over the past decade or so.

This stems from two main factors: near-universal adoption of growth strategies based on trade expansion and economic liberalisation, and disappointment with the results of special trade preferences, which have proved a poor substitute for more open markets for their goods.

Since the round was launched in 1986, 13 developing countries have joined the General Agreement on Tariffs and Trade, including several least developed countries (LDCs) as defined by the United Nations. Mali, which became a member last week, exported just \$230m (£151m) worth of goods in 1991. Of Gatt's 105 members, three-quarters are developing countries.

However, among the 112 nations entitled to take part in the Uruguay Round about 40 rarely show up. Some very poor or very small countries do not have permanent staff in Geneva. Others have only one or two officials who may have to cover all the UN organisations in the city as well as Gatt. Small exporters may also find it hard to get a hearing from the big economic powers.

In past rounds, this did not matter much. It was possible to be a "free rider" on tariff cuts negotiated between others, which are automatically generalised through Gatt's "most-favoured-nation" rule.

Poor countries were not asked to make concessions in return for benefits, in accordance with the Gatt principle of giving them "special and differential treatment".

But recently non-participants have become uneasy aware that this time they may be in for more than they bargained for. Uruguay Round negotiators have not left much room for charity. Though developing countries are not required to make concessions "inconsistent with their level of development", most have opted to swap concessions for bigger trade gains.

Overall, "special and differential treatment" has been reduced to little more than a longer grace period before developing countries have to apply the same rules as everybody else.

Least developed countries have been given longer transitions and are exempted from commitments to reduce farm subsidies.

It looks as if "free-riding", too, may not be possible. The draft Uruguay Round agreement to create a Multilateral Trade Organisation, with far wider powers and scope than Gatt, requires all intending WTO members to produce tariff schedules and formal offers, rather than exiguous, to open their services markets. If they are to reap the round's benefits, the smallest and poorest nations will have to contribute their tuppence-worth.

US 'lacks systematic strategy on exports'

By David Dodwell, World Trade Editor

THE US lacks a systematic government-wide export strategy, which leads to poor co-ordination between export promotion agencies. The US general accounting office, the investigative arm of Congress, has concluded this in a new US government report.

The report, on the role of the US Eximbank, which supported \$12.1bn (£7.9bn) of US exports in 1991, adds that while the bank has made "significant efforts" to improve delivery of its services, the fragmentation of export promotion services among 10 separate agencies results in overlaps and gaps, and "tends to be confusing to the US business community".

The report makes no specific recommendations, but follows hard on a GAO report highly critical of the management of US agricultural loan guarantee programmes, which it says are costly, and cannot prove productive.

"The US government does not have reasonable assurances in today's tight budget

End Gatt talks, says Dunkel

By Frances Williams in Geneva

MR Arthur Dunkel, director-general of the General Agreement on Tariffs and Trade, warned yesterday that unless the Uruguay Round of trade liberalisation talks was concluded quickly it could founder.

He told a meeting of the top-level Trade Negotiations Committee (TNC), which oversees the 112-nation round, that the talks were "poised for conclusion", but added: "We are critically short of time. To succeed, we must conclude now or run the risk of drifting into the sands."

The TNC meeting was called to review progress in the six-year-old negotiations on the eve of President Clinton's inauguration today. It follows two weeks of intensive tariff negotiations between the US and the European Community, which failed to produce the hoped-for breakthroughs.

In a clear appeal to the new Clinton administration to conclude a Uruguay Round deal in the negotiating mandate granted by Congress expires in March, Mr Dunkel said it "can, and must be, concluded quickly".

He saw "growing fears that a long delay would cause a dangerous loss of momentum - in fact a negotiating vacuum, in

SIR Leon Brittan, the EC's trade commissioner, yesterday urged the incoming US administration to join the Community in pressing for a rapid resolution of the Uruguay Round of trade liberalisation talks, Andrew Hill reports from Brussels.

"Every week we don't have an agreement costs the world dear in money and jobs," Sir Leon told journalists, in his first public statement since taking over the European Commission trade portfolio.

Sir Leon said he wanted to meet Mr Mickey Kantor, the incoming US trade representative, as soon as possible to discuss strategy for concluding the talks.

The US and EC originally hoped a deal could be reached

which even the existing multilateral trading system could be put at risk.

There was mounting frustration that the biggest traders had not provided the leadership for the end game.

Since December, the Uruguay Round negotiations have focused on tariff reductions, initial commitments to liberalise services and possible changes to the draft package of rules, known as the "final act", drawn up by Mr Dunkel in December 1991.

Mr Dunkel said yesterday

before President George Bush stepped down.

Sir Leon said yesterday: "We have not reached agreement, but we have certainly not wasted our time. We have injected new urgency into the process and have prepared the ground for a quick start to a successful conclusion."

Sir Leon said he still hoped a deal could be submitted to the US Congress before the administration's current negotiating authority expired.

The official expiry date is March 2, but the authority could be extended and Sir Leon was careful yesterday not to set himself a specific deadline.

"An ambitious and constructive market-opening package, combined with sticking closely

to the Dunkel text [draft conclusions prepared by Mr Arthur Dunkel, Gatt director-general], seems to me to provide the basis for a successful negotiation," he added.

Sir Leon made clear that there was no possibility of reopening last year's controversial deal between the EC and the US on agricultural subsidies before provisional agreement had been reached with other members of the Gatt on the rest of the package.

to the Dunkel text [draft conclusions prepared by Mr Arthur Dunkel, Gatt director-general], seems to me to provide the basis for a successful negotiation," he added.

Sir Leon made clear that there was no possibility of reopening last year's controversial deal between the EC and the US on agricultural subsidies before provisional agreement had been reached with other members of the Gatt on the rest of the package.

The agriculture deal is deeply unpopular in France, but Sir Leon said EC member states would get the chance to air their "internal disagreements" formally once the whole package was ready for their approval.

of issues, including creation of a powerful Multilateral Trade Organisation.

Mr Hugo Peemans, EC chief negotiator, told the TNC the Community was committed to a rapid end of the round "within its present parameters". This reflects a widespread fear that if Mr Clinton has to seek a fresh negotiating mandate from Congress, new issues will be put on the Round's agenda, delaying the talks further and risking an unravelling of agreements already made in principle.

Kantor voices fears on US-EC farm deal

By Nancy Dunne in Washington

MR Mickey Kantor, nominee for US trade representative in the Clinton administration, yesterday expressed "concern" about the US-EC agreement over farm trade, sealed by his predecessor in an effort to push the Uruguay Round to a conclusion.

Just a few minutes into his nomination hearing before the Senate Finance Committee, the California lawyer swept away concerns about his inexperience in trade matters by correcting one senator on the details of the US-EC farm trade deal. He said that he would "look carefully" at the pact, and that improving market access is a critical part of the Clinton trade strategy.

Mr Kantor, a long-time Clinton friend, spoke with familiarity about the whole range of issues which would come before him. However, he declined to commit himself on many points, including the need to extend fast-track negotiating authority.

He agreed with one senator that it was vitally necessary to enforce agreements with US trade partners so that they are

not "just pieces of paper". Trade pacts must be "credible to the American people", he said. He defined himself as "a realistic person" who would not simply assume that other countries support the concept of free trade when the facts indicate otherwise.

Without perhaps meaning to, Mr Kantor sent a subtle message of a shift in US trade policy. When it has to act, the Clinton administration will be more concerned with the reaction of US voters than that of its trading partners. Mr Kantor said he had travelled all over the US with President-elect Clinton, and "I have seen the pain" of jobless Americans.

He indicated a solidarity with the Congress, which has wanted much more aggressive action against US trading partners than the Bush administration. Repeatedly, he offered to consult with the senators - even on a regular basis - before the administration sets its trade view in concrete.

He promised to support a renewal of the controversial Super 301 provision, which requires the US trade representative to single out countries with excessive trade barriers for negotiation and perhaps



Kantor: "realistic person"

retaliation. The Bush administration had opposed the policy.

The US would no longer subordinate its economic interests to foreign and military policy, he said. There will be a "coherent US economic strategy" coordinated within the new National Economic Policy. As trade representative, he will be the administration spokesman in that area, and its negotiator.

WE, THE UNDERSIGNED, ARE PLEASED TO ANNOUNCE THE ACHIEVEMENT OF A EUROPEAN MONETARY UNION.

<p>AUSTRIA / Postsparkasse</p> <p>P.S.K.</p>	<p>GERMANY / Deutsche Bundespost Postbank</p> <p>Postbank</p>	<p>SPAIN / Caja Postal</p> <p>Caja Postal</p> <p>ARGENTARIA</p>
<p>BELGIUM / Postcheque</p> <p>POSTCHEQUE</p>	<p>IRELAND / An Post</p> <p>POST</p>	<p>SWEDEN / Postgirot</p> <p>POSTGIROT</p>
<p>DENMARK / GiroBank A/S</p> <p>GiroBank</p>	<p>LUXEMBOURG / P & T</p> <p>P & T</p> <p>LUXEMBOURG</p>	<p>SWITZERLAND / PIT</p> <p>PIT</p>
<p>FINLAND / Postipankki Ltd</p> <p>POSTIPANKKI</p>	<p>NETHERLANDS / Postbank NV</p> <p>POSTBANK</p>	<p>UNITED KINGDOM / Girobank plc</p> <p>Girobank</p>
<p>FRANCE / La Poste</p> <p>LA POSTE</p>	<p>NORWAY / Post giro</p> <p>POST GIRO</p>	<p>MEMBERS OF THE EUROGIRO NETWORK</p>

A new cross-border payment system is being launched in Europe. Partnership between the above financial organisations has led to the creation of EUROGIRO - an integrated electronic network which will set new standards in transferring payments across national frontiers.

The EUROGIRO network will provide secure and paperless cross-border payments between any of the 40 million private and business customers of these organisations.

EUROGIRO will do so at low cost, at high speed and with great reliability. And it will provide the basis for a range of products

designed to handle all types of transactions - from small, single and infrequent payments, to large, multiple and regular ones.

That's why EUROGIRO represents an important development in cross-border payments - and a form of monetary union which can win everyone's vote.

EUROGIRO

THE FAST, COST-EFFECTIVE PAYMENT SYSTEM

TO REQUEST FURTHER INFORMATION ON EUROGIRO, PLEASE FAX COPENHAGEN (45) 42 52 62 66, OR WRITE TO EUROGIRO NETWORK A/S, PO BOX 188, DK-2670, TAASTRUP, DENMARK, OR REFER TO THE ORGANISATION IN YOUR COUNTRY AS SHOWN ABOVE.

THE CLINTON INAUGURATION

President Clinton's inaugural address must awaken a nationwide commitment to make America a better place

The activist generation awaits rallying call

AN inauguration is the ultimate American political rite of passage, intended to set the tone for the presidency to come. Sometimes it does, sometimes it does not.

The most memorable inaugural addresses are the stuff of history. George Washington's first was held in New York and still holds the record for brevity - 143 words. William Henry Harrison's in 1841 was the longest at 105 minutes. He caught pneumonia in the freezing cold and died just over a month later.

Although selections are invidious, four addresses are generally accorded a special place. Abraham Lincoln's in 1861, delivered to a nation in civil war, was perhaps the finest exercise in inaugural oratory, exceeded only marginally by his Gettysburg speech four years later. President-elect Bill Clinton had no trouble quoting Mr Lincoln on Sun-

day night when he called on the "better angels of our nature" to guide his presidency.

Franklin Delano Roosevelt's stirring commitment in 1933 to drag the country out of the Depression was captured on nationwide radio and newsreel and offered hope amid desolation.

"This nation asks for action and action now... we must act and act quickly," might not have a Lincolnian ring but the words were precisely what was wanted.

John Kennedy's generational call to arms - "ask not what your country can do for you but what you can do for your country" - held out similar promise, although, unlike FDR's, it was not fulfilled in his brief term.

In 1981 Ronald Reagan switched the site of the inaugural address to the west-facing steps of the Capitol, a neat symbol for a Californian. He

then declared that government had grown too big and would be cut down to size. His administration proceeded to do what he had pledged.

His second inaugural was also prescient. It was held indoors because of the ferocious cold and although his second four years can be said to have presaged the end of the cold war, they were also marked for some dubious policies (such as Iran-Contra) that were never designed to see the light of day.

Promise, however, often falls short. It was, after all, President Kennedy who started the long, slippery slide into the Vietnam war and the death of 57,000 young Americans, a disproportionate number of whom were poor. It was not the fate he had in mind when he asked them to "bear any burden" so that liberty might prevail.

In 1977 Jimmy Carter charmed

the country with a thoughtful speech about the inter-dependent world and by becoming the first to walk the length of Pennsylvania Avenue hand in hand with his wife. Four years later, his reflections seen as indecisive and the millstone of the hostages in Iran round his neck, he was gone.

George Bush in 1989 said he would transform the Reagan legacy into "a kinder, gentler America" and a lot of people thought he had struck just the right note. Today he goes back to Texas as a private citizen because his countrymen concluded he had no idea how to make it so.

It is traditional now that every inaugural speech has grace notes, such as Mr Carter complimenting Gerald Ford for all he had done to "heal our country" and Mr Reagan, less probably, being equally generous to Mr Carter. Mr Clinton will

have nice things to say about George Bush, because it is now accepted and because he is a good charitable Christian.

It was not always thus: John Adams refused to attend Thomas Jefferson's inaugural (the election had been determined, perhaps by connivance, in the House of Representatives) while Herbert Hoover could barely bring himself to look at FDR as they rode to the Capitol together.

Mr Clinton, who is a keen student of past presidents, has adopted a quintessentially eclectic approach to his inaugural. This ranges from the Jeffersonian ride from Monticello, through the extravaganza that marked the advent of Kennedy and the populist themes so dear to Carter, to tomorrow's open day at the White House.

This, however, will be by invitation only, perhaps because Mr Clin-

ton delved into what happened when Andrew Jackson opened the White House up to his friends in 1829. They muddled the carpets and broke the furniture and Jackson had to escape through a back window.

Mr Clinton will also strive for a distinctive note. He may not be the youngest president, a honour belonging to Teddy Roosevelt, but even more than Kennedy, he is the representative of a different and younger generation. This is a generation born after the last world war and not tempered much, Vietnam apart, by conflict.

For many, opposition to that war was the common denominator. But in an age deprived of the overweening cold war, yet consumed by so many independent flashpoints, the "old" qualifications, including military service, are no longer deemed pre-eminent.

Many Americans of his age, though fired by the social and political activism of the 1960s, subsequently dropped out or got law degrees, became affluent and are now universally known as "baby boomers" and "yuppies". But Mr Clinton, though a lawyer, stayed in government and pushed for change.

His inaugural, like the better parts of his campaign, must be designed to reawaken that activist commitment to make the nation a better place, now stirring after a long sleep. The metaphors he chooses will be unwrapped today, the promises offered to a hungry nation. There will be for a while a positive national desire for him to succeed. The tough part, as ever, is preserving that goodwill when the fires of the inauguration are but embers.

Jurek Martin

WALL STREET

Dealers give new team benefit of the doubt

TODAY'S inauguration marks the end of a transition period that has been surprisingly smooth for Wall Street, considering that financial markets face Democrat rule for the first time since Jimmy Carter's departure in 1980.

During the hiatus the markets have marked time, passing judgment on President-elect Bill Clinton's cabinet appointments and speculating on whether the new team has the guts to tackle the structural and financial problems plaguing the economy.

Overall the transition period has had little effect on stock market sentiment and the main economic cabinet appointments were generally well received.

Mr David Hale, chief economist with Kemper Securities, says: "Wall Street has been satisfied with the balance [of the Clinton cabinet] because it suggests that fiscal policy will be cautious and guided by people with a proven ability to work with Congress."

As for economic policy, what little has been gleaned from the transition period has been duly digested by the markets. But it was a modest meal.

That Mr Clinton has appeared to retreat from some of his campaign promises most notably to halve the deficit in four years and to cut middle-class taxes - did not surprise anyone on Wall Street. During the election campaign the Democrats were widely criticised because their numbers on boosting economic growth by increasing spending and cutting taxes, while simulta-

neously reducing the deficit, never added up.

The gap between election and inauguration, however, has created a few problems for Wall Street, not least for the bond market.

Having enjoyed an unexpected post-election boom - since November the yield on the benchmark 30-year bond has dropped more than 30 basis points to just over 7.3 per cent.

Treasury investors got the jitters early this month when the Clinton camp warned that, because the projected budget shortfall for 1993 would be larger than expected, deficit reduction measures could be put on hold.

The scare was enough to send long-term interest rates up to almost 7.5 per cent. Since then long rates have crept down again, thanks in part to talk of the Democrats introducing a nationwide consumption tax. Statements from key Clinton appointees stressing the importance of long-term deficit reduction have also helped.

Treasury investors, however, remain wary of the new administration and will be Mr Clinton's toughest critics in his first few months as president.

The key feature of the transition period has been the performance of the economy, which in the past few months has shown signs that it will post solid, if unspectacular, low-inflation growth during 1993. It has been the brightening economic picture that, more than anything, has made the financial markets' pre-inauguration "honeymoon" with Mr Clinton relatively trouble-free.

Patrick Harverson

While keeping an eye on the incoming administration, financial markets have also been bracing for news of last year's fourth-quarter earnings.

"Results are likely to disappoint," warns Mr Eric Miller, chief investment officer at brokerage house Donaldson, Lufkin & Jenrette, who forecasts aggregate operating earnings gains of 10-15 per cent.

Over the longer term the outlook for earnings is more positive. A recently completed survey of medium-sized companies by the American Stock Exchange found that 85 per cent of chief executives expected higher revenues this year. While that confidence is not so noticeable at the big industrial companies, whose earnings are more exposed to weakening overseas economies, there is little doubt corporate earnings are on an upward trend.

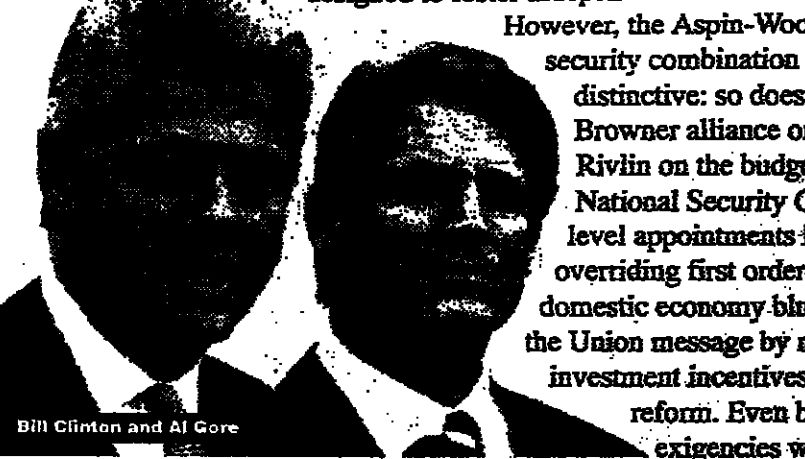
Ultimately, how the markets take to President Clinton will depend on whether he can, as promised, lay the foundations for sustained economic growth without letting the budget deficit balloon further.

Wall Street is still giving Mr Clinton the benefit of the doubt, although some expectations are probably unsustainable. Mr Eric Heinemann, chief economist at Ledenberg, Thalmann, wrote this week: "Perhaps Bill Clinton, a liberal Democrat, will fulfil Ronald Reagan's formula for growth - work, save and invest. If [he] sticks to his game plan, investors should do well."

Patrick Harverson

The new president and his team

Bill Clinton promised to form a cabinet "more like America" in its diversity: except for the preponderance of lawyers, he has probably succeeded. It contains many, like Mr Clinton himself, with minimal Washington experience, interspersed with capital veterans. Mr Clinton has set up the cabinet so that he runs it "top down," relying on the quality of ideas sent to him, but making many of the final decisions himself. He rejects the traditional notion that the secretaries of state, defence, treasury and justice outrank all others, and his cabinet is not designed to foster independent baronies.



Bill Clinton and Al Gore

Secretary of State
Warren Christopher, 67, promised in his confirmation hearings to travel less than James Baker and to be in charge of the "American desk" at the State Department, connecting domestic and foreign policy.

Considered the quintessential lawyer-negotiator, without pronounced ideology. Believes US embassies should offer more help to US commercial interests. Strong on human rights. Thinks failure of Russian reforms could be catastrophic for democracy.

Secretary of Defence
Les Aspin, 54, dove-turned-seagull and pugnacious defence expert. More interventionist than most recent defence secretaries, which could put him at odds with military top brass like General Colin Powell. Faces tough job in cutting defence budget by \$60bn while maintaining US technological edge. Has said US might have to intervene in Bosnia. Likely to form strong partnership with Jim Woolsey at the CIA.

Secretary of the Interior
Bruce Babbitt, 54, an intellectual wild card in the pack, the former governor of Arizona only came to interior secretary type of coming from the West. Will Vice President Al Gore and Carol Browner at the Environmental Protection Agency, will be the chief "green" in the cabinet and expected to reverse policies considered too friendly to natural resource industries. Could pull strings, however, as his career has often been politically unorthodox.

Secretary of the Treasury
Lloyd Bentsen, 71, smooth as old bourbon but with some of its bite. Skilled legislator, especially on tax policy, his principal role will be to get Clinton's economic proposals through Congress. Thinks the greatest US problems are the budget deficit and under-savings. Does not rule out higher petrol taxes. Wants the Group of Seven industrialised countries to get back to its roots and focus on economic growth policies, initially through frequent informal meetings.

Attorney General
Zoe Baird, 40, first-ever woman attorney general, one of the youngest and, at the moment, one of the least political. Corporate lawyer with no trial experience but rated one of the brightest of her generation. Inherits a troubled department with lots of outstanding controversial business (BNI, BOCC, Iselin, Intrepid, residents of the Iran-Contra affair). May have to excuse himself from involvement in some healthcare decisions because of business connections.

White House Chief of Staff
Thomas (Mac) McLarty, 44, an Arkansas businessman who is as unorthodox as White House chief of staff. His 40-year experience with his president and his new role as chief of staff.

Other main posts
• Secretary of Agriculture: Mike Espy
• Secretary of Commerce: Ron Brown
• Secretary of Education: Richard Riley
• Secretary of Energy: Hazel O'Leary
• Administrator of the Environmental Protection Agency: Carol Browner
• Secretary of Health and Human Services: Donna Shalala
• Secretary of Housing and Urban Development: Henry Cisneros

Secretary of Labour: Robert Reich
• Secretary of Transportation: Federico Peña
• Ambassador to the United Nations: Madeleine Albright
• Secretary of Veterans Affairs: Jesse Brown
• Director of the Office of Management and Budget: Leon Panetta
• Director of the Central Intelligence Agency: James Woolsey
• National Security Adviser: Anthony Lake
• Trade Representative: Mickey Kantor

Secretary of Agriculture: Mike Espy
• Secretary of Commerce: Ron Brown
• Secretary of Education: Richard Riley
• Secretary of Energy: Hazel O'Leary
• Administrator of the Environmental Protection Agency: Carol Browner
• Secretary of Health and Human Services: Donna Shalala
• Secretary of Housing and Urban Development: Henry Cisneros

Secretary of Labour: Robert Reich
• Secretary of Transportation: Federico Peña
• Ambassador to the United Nations: Madeleine Albright
• Secretary of Veterans Affairs: Jesse Brown
• Director of the Office of Management and Budget: Leon Panetta
• Director of the Central Intelligence Agency: James Woolsey
• National Security Adviser: Anthony Lake
• Trade Representative: Mickey Kantor

Secretary of the Treasury
Lloyd Bentsen, 71, smooth as old bourbon but with some of its bite. Skilled legislator, especially on tax policy, his principal role will be to get Clinton's economic proposals through Congress. Thinks the greatest US problems are the budget deficit and under-savings. Does not rule out higher petrol taxes. Wants the Group of Seven industrialised countries to get back to its roots and focus on economic growth policies, initially through frequent informal meetings.

Attorney General
Zoe Baird, 40, first-ever woman attorney general, one of the youngest and, at the moment, one of the least political. Corporate lawyer with no trial experience but rated one of the brightest of her generation. Inherits a troubled department with lots of outstanding controversial business (BNI, BOCC, Iselin, Intrepid, residents of the Iran-Contra affair). May have to excuse himself from involvement in some healthcare decisions because of business connections.

White House Chief of Staff
Thomas (Mac) McLarty, 44, an Arkansas businessman who is as unorthodox as White House chief of staff. His 40-year experience with his president and his new role as chief of staff.

Other main posts
• Secretary of Agriculture: Mike Espy
• Secretary of Commerce: Ron Brown
• Secretary of Education: Richard Riley
• Secretary of Energy: Hazel O'Leary
• Administrator of the Environmental Protection Agency: Carol Browner
• Secretary of Health and Human Services: Donna Shalala
• Secretary of Housing and Urban Development: Henry Cisneros

Secretary of Labour: Robert Reich
• Secretary of Transportation: Federico Peña
• Ambassador to the United Nations: Madeleine Albright
• Secretary of Veterans Affairs: Jesse Brown
• Director of the Office of Management and Budget: Leon Panetta
• Director of the Central Intelligence Agency: James Woolsey
• National Security Adviser: Anthony Lake
• Trade Representative: Mickey Kantor

Secretary of Agriculture: Mike Espy
• Secretary of Commerce: Ron Brown
• Secretary of Education: Richard Riley
• Secretary of Energy: Hazel O'Leary
• Administrator of the Environmental Protection Agency: Carol Browner
• Secretary of Health and Human Services: Donna Shalala
• Secretary of Housing and Urban Development: Henry Cisneros

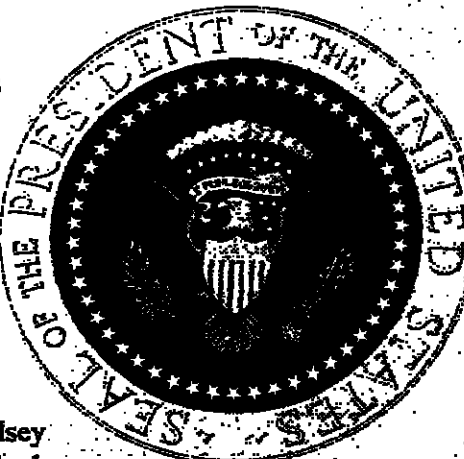
Secretary of Labour: Robert Reich
• Secretary of Transportation: Federico Peña
• Ambassador to the United Nations: Madeleine Albright
• Secretary of Veterans Affairs: Jesse Brown
• Director of the Office of Management and Budget: Leon Panetta
• Director of the Central Intelligence Agency: James Woolsey
• National Security Adviser: Anthony Lake
• Trade Representative: Mickey Kantor

Secretary of Agriculture: Mike Espy
• Secretary of Commerce: Ron Brown
• Secretary of Education: Richard Riley
• Secretary of Energy: Hazel O'Leary
• Administrator of the Environmental Protection Agency: Carol Browner
• Secretary of Health and Human Services: Donna Shalala
• Secretary of Housing and Urban Development: Henry Cisneros

Secretary of Labour: Robert Reich
• Secretary of Transportation: Federico Peña
• Ambassador to the United Nations: Madeleine Albright
• Secretary of Veterans Affairs: Jesse Brown
• Director of the Office of Management and Budget: Leon Panetta
• Director of the Central Intelligence Agency: James Woolsey
• National Security Adviser: Anthony Lake
• Trade Representative: Mickey Kantor

Secretary of Agriculture: Mike Espy
• Secretary of Commerce: Ron Brown
• Secretary of Education: Richard Riley
• Secretary of Energy: Hazel O'Leary
• Administrator of the Environmental Protection Agency: Carol Browner
• Secretary of Health and Human Services: Donna Shalala
• Secretary of Housing and Urban Development: Henry Cisneros

Secretary of Labour: Robert Reich
• Secretary of Transportation: Federico Peña
• Ambassador to the United Nations: Madeleine Albright
• Secretary of Veterans Affairs: Jesse Brown
• Director of the Office of Management and Budget: Leon Panetta
• Director of the Central Intelligence Agency: James Woolsey
• National Security Adviser: Anthony Lake
• Trade Representative: Mickey Kantor



Secretary of the Treasury
Lloyd Bentsen, 71, smooth as old bourbon but with some of its bite. Skilled legislator, especially on tax policy, his principal role will be to get Clinton's economic proposals through Congress. Thinks the greatest US problems are the budget deficit and under-savings. Does not rule out higher petrol taxes. Wants the Group of Seven industrialised countries to get back to its roots and focus on economic growth policies, initially through frequent informal meetings.

Attorney General
Zoe Baird, 40, first-ever woman attorney general, one of the youngest and, at the moment, one of the least political. Corporate lawyer with no trial experience but rated one of the brightest of her generation. Inherits a troubled department with lots of outstanding controversial business (BNI, BOCC, Iselin, Intrepid, residents of the Iran-Contra affair). May have to excuse himself from involvement in some healthcare decisions because of business connections.

White House Chief of Staff
Thomas (Mac) McLarty, 44, an Arkansas businessman who is as unorthodox as White House chief of staff. His 40-year experience with his president and his new role as chief of staff.

Other main posts
• Secretary of Agriculture: Mike Espy
• Secretary of Commerce: Ron Brown
• Secretary of Education: Richard Riley
• Secretary of Energy: Hazel O'Leary
• Administrator of the Environmental Protection Agency: Carol Browner
• Secretary of Health and Human Services: Donna Shalala
• Secretary of Housing and Urban Development: Henry Cisneros

Secretary of Labour: Robert Reich
• Secretary of Transportation: Federico Peña
• Ambassador to the United Nations: Madeleine Albright
• Secretary of Veterans Affairs: Jesse Brown
• Director of the Office of Management and Budget: Leon Panetta
• Director of the Central Intelligence Agency: James Woolsey
• National Security Adviser: Anthony Lake
• Trade Representative: Mickey Kantor

Secretary of Agriculture: Mike Espy
• Secretary of Commerce: Ron Brown
• Secretary of Education: Richard Riley
• Secretary of Energy: Hazel O'Leary
• Administrator of the Environmental Protection Agency: Carol Browner
• Secretary of Health and Human Services: Donna Shalala
• Secretary of Housing and Urban Development: Henry Cisneros

Secretary of Labour: Robert Reich
• Secretary of Transportation: Federico Peña
• Ambassador to the United Nations: Madeleine Albright
• Secretary of Veterans Affairs: Jesse Brown
• Director of the Office of Management and Budget: Leon Panetta
• Director of the Central Intelligence Agency: James Woolsey
• National Security Adviser: Anthony Lake
• Trade Representative: Mickey Kantor

Secretary of Agriculture: Mike Espy
• Secretary of Commerce: Ron Brown
• Secretary of Education: Richard Riley
• Secretary of Energy: Hazel O'Leary
• Administrator of the Environmental Protection Agency: Carol Browner
• Secretary of Health and Human Services: Donna Shalala
• Secretary of Housing and Urban Development: Henry Cisneros

Secretary of Labour: Robert Reich
• Secretary of Transportation: Federico Peña
• Ambassador to the United Nations: Madeleine Albright
• Secretary of Veterans Affairs: Jesse Brown
• Director of the Office of Management and Budget: Leon Panetta
• Director of the Central Intelligence Agency: James Woolsey
• National Security Adviser: Anthony Lake
• Trade Representative: Mickey Kantor

Secretary of Agriculture: Mike Espy
• Secretary of Commerce: Ron Brown
• Secretary of Education: Richard Riley
• Secretary of Energy: Hazel O'Leary
• Administrator of the Environmental Protection Agency: Carol Browner
• Secretary of Health and Human Services: Donna Shalala
• Secretary of Housing and Urban Development: Henry Cisneros

Secretary of Labour: Robert Reich
• Secretary of Transportation: Federico Peña
• Ambassador to the United Nations: Madeleine Albright
• Secretary of Veterans Affairs: Jesse Brown
• Director of the Office of Management and Budget: Leon Panetta
• Director of the Central Intelligence Agency: James Woolsey
• National Security Adviser: Anthony Lake
• Trade Representative: Mickey Kantor

Secretary of Agriculture: Mike Espy
• Secretary of Commerce: Ron Brown
• Secretary of Education: Richard Riley
• Secretary of Energy: Hazel O'Leary
• Administrator of the Environmental Protection Agency: Carol Browner
• Secretary of Health and Human Services: Donna Shalala
• Secretary of Housing and Urban Development: Henry Cisneros

APPOINTMENTS

Rush to name support staff

THE incoming Clinton administration may this week announce as many as 100 sub-cabinet level appointments, addressing criticism that it takes over today unprepared to run the country.

Some senior Republican appointees are also being asked to remain in office for the time being for specific tasks, in spite of President George Bush's order that his team vacate premises today.

Reasons for the appointments delay include President-elect Bill Clinton's personal involvement in many of the selections and incomplete FBI background checks.

Some prospective appointments are considered secure, like those of Mr Larry Summers, of Harvard and the World Bank, to be Treasury undersecretary for international affairs, and Mr Alan Blinder, of Princeton, to join the Council of Economic Advisers.

Also apparently certain is the appointment of Mr Tim Wirth, the former senator from Colorado, to a new position as undersecretary of state for global affairs, with emphasis on the environment and human rights.

Mr Peter Farnoff, of the Council on Foreign Relations in New York, appears assured of the position as undersecretary of state for political affairs, the number three job in the department. Mr Strobe Talbott, a journalist with Time magazine and an Oxford classmate of Mr Clinton, will be given a new and elevated brief running relations with the former Soviet Union.

Mr Frank Wisner, a career diplomat currently in charge of international security affairs and actively involved in US policy towards Bosnia, is likely to move over to the Defence Department as the influential policy planning undersecretary.

To ensure continuity in troubled parts of the world, it has been reported that Mr Edward Djerejian will be remaining as assistant secretary of state for near eastern and south Asian affairs, a portfolio which includes Iraq. Mr Dennis Ross, a member of Mr James Baker's inner circle, is apparently to be retained as a consultant on the Middle East peace process.

Jurek Martin

Peruvian upset overcome

ANY SERIOUS threat to the nomination of Ms Zoe Baird as attorney general in the Clinton administration was much diminished yesterday when the senior Republican on the Senate judiciary committee flatly stated she should be confirmed in office.

Senator Orrin Hatch of Utah said controversy over her hiring of illegal aliens, a Peruvian couple, for child care and housekeeping work, for which she has paid back taxes and a civil penalty, in no way disqualified her from the position.

In a statement after her prepared testimony, Ms Baird, who, at 40, would be the first woman attorney general in the US, told the committee that

she was wrong in hiring the couple. "I take full responsibility for the action," she said.

Ms Baird was formally presented to the committee by her two home state Democratic senators from Connecticut, Mr Christopher Dodd and Mr Joseph Lieberman, and by the new senator from Washington, Ms Patty Murray. Mr Lloyd Cutler, one of Washington's great power brokers and - along with Mr Christopher, for whose law firm she once worked - a chief sponsor, sat just behind her in support.

In her testimony, she said the Justice Department needed "a deeper sense of purpose" and must be freed from "inappropriate political intrusion".

She cited Mr Edward Levy, attorney general in the Ford administration, as the last exemplary chief law enforcement officer.

In her confirmation hearing yesterday, Mrs Hazel O'Leary, nominated as energy secretary in the Clinton cabinet, predicted a grim future for the nuclear power industry.

Although Mrs O'Leary has been working for a Minnesota utility which uses nuclear power, she said that new nuclear plants were not economically competitive, if the cost of construction was included.

Jurek Martin and George Graham

HEALTHCARE

Reform is vital to health of the economy

OF Mr Bill Clinton's dozens of pledges made during last year's campaign, the one that arguably matters most was a promise to reform the healthcare system. His performance here may decide the success or failure of his presidency.

Healthcare matters for its own sake. About 33m Americans (more than the population of California) are currently without insurance. At a minimum Mr Clinton must sharply reduce infant mortality rates (at present among the highest in developed countries) and increase the miserably low proportion of inner-city children being immunised against common diseases.

But healthcare is more than the most pressing social problem. The extraordinary escalation of costs - what the OECD calls the "worsening paradox of excess and deprivation" has turned healthcare into one of the US's most intractable economic problems.

For three decades, healthcare spending has grown at an annual rate of 6 per cent in real terms, more than doubling its share of gross domestic product to about 14 per cent, far above the international norm of about 8 per cent.

The galloping inflation of health costs is putting intolerable strains on state and federal budgets. Federal spending on Medicare and Medicaid, the public sector programmes for the elderly and the poor, is expected to rise by 87 per cent over the next five years to \$292bn (£25bn), thus accounting for half of the total projected increase in federal outlays. It will be impossible to reduce the \$300bn budget deficit significantly unless health care spending can be brought under control.

And if the deficit is not reduced, there is little hope of raising savings and investment rates, which are among the lowest in the industrialised

world. Yet in the longer term, the rate of economic growth can be raised only by increasing savings and investment. Mr Clinton's hopes of improving the living standards of the "forgotten middle class" thus depend on the successful reform of healthcare.

There is also a "micro-economic" link between health-

healthcare obligations to employees and pensioners - a burden without parallel in other industrial countries.

Ford's healthcare costs have tripled as a percentage of payroll from 6 per cent in 1970 to nearly 20 per cent today. It spends as much on medical care as on steel.

The US faces more intractable problems than other countries for two main reasons. In the first place, it relies on employers as the principal (yet voluntary) source of health insurance for the non-elderly population. Since increasing numbers of small and medium-sized companies are unable to afford the cost of insurance premiums, this, in effect, guarantees gaps in healthcare coverage. Four-fifths of uninsured

Americans are employed or dependents of employees.

The other unique characteristic of US healthcare is the dogged belief that costs can somehow be controlled by normal "market forces". In every other advanced country, the government has stepped into the health market, either to set an overall expenditure limit (as in Britain's National Health Service) or to regulate the volume and price of services that doctors and hospitals can charge. In the US such controls are being imposed on Medicare and Medicaid spending, but this accounts for only about 40 per cent of the market.

Ms Donna Shalala, the university administrator named as health secretary, has signalled that the incoming administration intends to tackle both of these fundamental problems. She wants to set a national budget for both public and private health care spending. At the same time, gaps in cover-

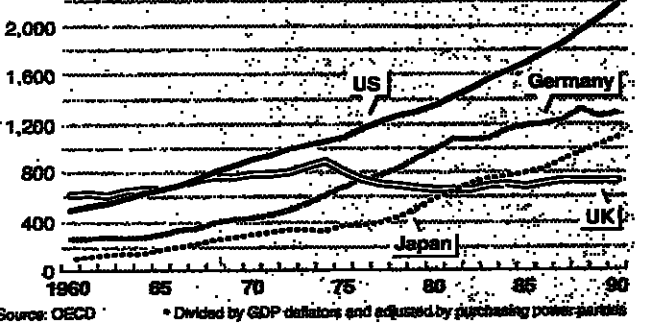
age would be plugged by introducing a form of "managed competition". Everybody - uninsured individuals as well as members of corporate plans - would be enrolled in regional healthcare purchasing co-operatives which would buy care from competing providers in the private sector. In theory, the co-operatives' market clout will ensure that members receive high-quality care at the lowest possible price.

The managed competition route looks promising. But efforts to control costs will succeed only if strict limits are set on the use of expensive new technology and drugs, on the prospective incomes of physicians (which are far higher than in other countries) and on the hugely inefficient private insurance industry. Yet this requires a direct confrontation with some of the nation's most powerful interest groups.

Michael Prowse

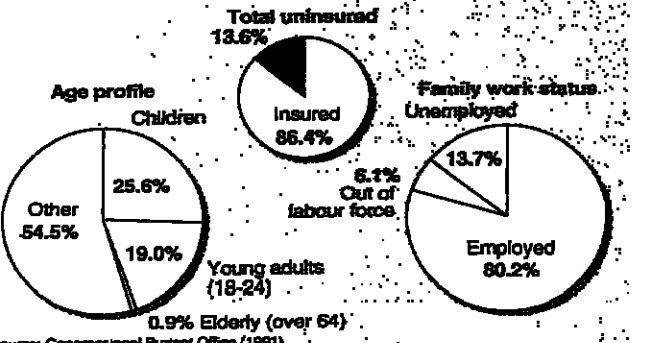
The US healthcare dilemma

Per capita real health expenditure (\$)



Source: OECD

Characteristics of the uninsured



Argentina widens trade gap estimate

By John Barham
in Buenos Aires

ARGENTINA has again raised its official estimate for the 1992 trade deficit, adding to concern about economic reforms.

The deficit is now put at up to \$2.5bn (£1.54bn), against \$1.5bn before, according to planning secretary Juan Llach.

At the same time, unemployment and under-employment in October rose to 7 per cent and 8.1 per cent respectively, against 6 and 7.9 per cent a year earlier, the Indec statistics agency said. Independent researchers at the UADE business school reported that workers' purchasing power fell 8 per cent in December.

Mr Pedro Lacoste, an economic consultant, blames rapid economic change for the apparent contradiction of a rising trade deficit and increasing unemployment. Unreliable statistics worsen the confusion, he says.

He believes the employment data reflect a heavy shakeout in industry, as companies struggle to boost productivity, and he expects inflation and the trade deficit to fall sharply this year.

However, Mr Jose Luis Machinea, chief economist at the Union Industrial Argentina, an employers' grouping, says the trade figures reflect low productivity. "Productivity growth has to be based on investments, but this takes time. It will take four to five years to close our 15-20 per cent productivity gap."

Mr Machinea says the doubt is over how the ensuing trade deficit will be financed and whether industry will invest sufficiently. He warns that imports are replacing domestic production, while investment is insufficient and is directed at service sectors, which do not generate hard currency.

The government, though, insists all is well. The Planning Secretariat says the trade deficit may persist this year, but will then fall sharply. Officials add that capital goods are a large component of imports.

Brazil's leader takes over state sell-off

By Christina Lamb
in Rio de Janeiro

THE Brazilian government yesterday announced new privatisation rules. These confirmed President Itamar Franco's direct command over the process and barred state companies' pension funds from taking part, prompting investor fears that the programme

may cease to be viable.

The rules, in the form of a 63-part decree, establish Mr Franco as head of the privatisation process with the right to intervene at any stage. He can also decide on a case-by-case basis the level of participation of foreign capital and "rotten money".

domestic debt swapped at par, which has accounted for 87 per cent

of the \$4bn raised so far.

Announcing the changes, Mr Paulo Haddad, economy minister, said foreign participation might be more than the current 40 per cent, and as much as 100 per cent, depending on the company.

However, the decision to disqualify the state company pension funds caused concern among investors, who fear

that without them there might not be enough money in the economy to make the sell-off feasible. The São Paulo stock exchange index fell back from a 2 per cent rise to a 0.9 per cent loss on the news.

The pension funds represent an investor potential of \$26bn (£16.4bn), Mr Haddad says, and they have been the main participants in the programme

so far. For example, 95 per cent of rail carriage maker Mafersa was bought by the federal railways pension fund.

Mr Francisco Baker, the presidential spokesman, said: "Mr Franco feels that the participation of parastatal pension funds benefits a very small group of Brazilians and constitutes using state money to buy state companies."

However, some investors suspect Mr Franco, a past critic of privatisation, of trying to slow it down.

One foreign banker commented: "There seems little doubt now that he is trying to scupper the process." The programme has been suspended since early December, but Mr Franco has promised that it will resume in March.

Mexico puts last companies on sale

By Damian Fraser
in Mexico City

THE Mexican government aims to wrap up its privatisation programme this year by selling 37 more state companies, the Finance Ministry announced yesterday.

The sales could raise \$4bn-\$5bn and, as with previous privatisation receipts, most of the money will be used to retire public debt. The administration of President Carlos Salinas has so far sold, or closed down, 383 state-owned companies, for a total of \$4.5bn pesos, or around \$22bn (£14.4bn).

The government will sell off by March, in a single tranche, the state-run television Channels 7 and 13, the national newspaper El Nacional, and various cinemas. Its declared aim is to create a media company able to compete with Televisa, Mexico's dominant entertainment group.

Televisa has interests ranging from television (90 per cent of the market), to the Mexico City football team, video shops and record labels. It has long used its domination to support the ruling Institutional Revolutionary Party, in continuous power since 1929.

The government also hopes to sell Aseguradora Mexicana, the state-owned insurance company, assets of the Fertilizante Mexicana, several hotels, and concessions to run most of the country's main ports, including those at Acapulco, Lazaro Cardenas, and Manzanillo.

One of Mexico's recently privatised companies, AeroMexico, has had its apparently successful bid for AeroPeru contested by the Peruvian runner-up, Naviera Santa. AeroMexico and a consortium of Peruvian investors bid \$54m for 70 per cent of AeroPeru over the weekend, \$8.7m more than Naviera Santa.

Naviera claimed that the Mexican carrier controlled other members of the consortium, and thus had broken the rule against foreign majority acquisition.

Fiscal changes tax new 'moral' congress

Positive vote is essential to restore national credibility, writes Christina Lamb

AFTER seven years of discussion and delay, the moment of truth should arrive this week for Brazil's commitment to fiscal adjustment, when congress votes on higher taxes to plug a \$13bn (£8.5bn) hole in this year's budget.

Long mooted as the key hurdle in overcoming the decade-long economic crisis, the vote on fiscal reform is the first test of the parliamentary strength of the new administration of President Itamar Franco. Its outcome will also expose the ability of 503 congressmen to build on their new "moral" image, achieved through their recent impeachment of President Fernando Collor, by rising above their own parochial interests for once.

The measure is far from the full-blooded reform necessary to guarantee sustainable budget balance. However, its approval is essential if the government is to resurrect a lapsed accord with the International Monetary Fund - talks on which are due to resume on February 9 - and thus restore international credibility.

The Franco government is not the first to draw up fiscal reforms, but previous efforts have always been stymied by the highly fragmented political system, lack of will, and - since 1988 - an incredibly restrictive constitution. However, Mr Paulo Haddad, the newly-appointed economy minister, says the situation has now reached breaking point. With the government project-



President Itamar Franco: first test of his administration

ing a primary or non-interest deficit of 2.3 per cent of gross domestic product, he says there is no money to pay government employees or pensions or undertake desperately needed investments such as repairs to the country's highways, many of which have degenerated into cart-tracks.

The main proposals to raise these funds are a 0.25 per cent tax on cheques, estimated to bring in \$7bn, a tax on selected products such as drinks, fuel, cigarettes and telephone calls, and a tax on company assets.

Mr Franco has spent the last week negotiating with the presidents and parliamentary leaders of the 19 parties represented in congress and the governors of the 27 states. His self-effacing style and years of political experience have brought him far closer than his high-handed predecessor to clinching a deal.

But despite all the fanfare, Mr Carlos Langoni, economic professor at the highly-regarded Getulio Vargas Institute in Rio de Janeiro, says the project is "merely a quick-fix solution not touching the structural problems".

What the congress is debating is simply a tax-raising exercise on those already paying, when the real problems are widespread evasion, a bankrupt social security system and a blatantly unfair distribution of revenues between central and local government, he says.

According to the tax authorities, only 7m out of an economically active population of 61m people pay income tax, and last year's income tax revenues of \$35bn are thought to be only half those owed. This means that the deficit could be solved just by cracking down on a third of the evasion.

But the proposals contain no provision for strengthening the tax collection service other than authorising the Economy Ministry to lift banking secrecy - and that proposal is not expected to be passed.

On the expenditure side, the pivotal problem is the 1988 constitution, which increased the proportion of revenue transferred to local government, without also passing on the responsibilities of tax collection or provision of services. The tax income of states and cities has risen from 8 to 12 per cent of GDP under the new constitution, and Mr Collor frequently complained: "The problems of this country will never be solved while for every

four cruzeiros the centre collects it only keeps one." As a result, for example, the federal hospital system has all but collapsed.

Moreover, while the federal government has cut its payroll expenditures, those of local governments increased 77 per cent between 1985 and 1990. Mr Rogerio Werneck, a fiscal expert, says: "States and cities have been spending way above their fast-growing revenues and have no incentive not to, as they are always bailed out by the central bank." With only three states solvent, local governments now owe the federal government \$49bn - more than Brazil's debt to foreign commercial banks.

The structural reform to resolve this is not being tackled because congressmen need state and municipal machinery for re-election and will not vote for something that cuts at the root of support.

So the easy answer is to increase the taxes of those already paying. But economists like congressman and former planning minister Antonio Delfim Neto are sceptical about the wisdom of this when the economy is still in recession: "Any increase will result in real reduction of salaries and increase in unemployment."

He says the government should be concentrating on finding a solution for the main cause of the overall deficit - the bonded domestic debt which snowballed last year by a real 178 per cent to

Cr12.400bn (£590m) partly because of high real interest rates averaging 30 per cent. Mr Neto suggests using foreign exchange reserves, which are at record levels of \$34bn, to buy back some of this debt (interest payments on which swell the overall deficit to 6 per cent of GDP) and initiate a road improvement programme. Then, he would wait until a constitutional review due in September for profound structural reform.

The government has already obtained some fiscal relief through a new corporate withholding tax on financial gains. Passed on Christmas Eve, partly to encourage investment in productive, rather than speculative, activity, this is expected to bring in \$6bn, though it may be challenged in court. Many analysts yesterday feared congress would decide that this new tax solves half the problem and the country can therefore muddle through without the rest.

In fact, by international standards and excluding its growing interest bill, Brazil's primary deficit is not that high. The real problem is confidence, and fiscal reform has been talked about for so long that it has become the *sine qua non* to restoring government credibility both at home and abroad. Although Mr Haddad warns that "Itamar can't do miracles", it would be ironic if the president who cares the least about IMF recommendations of any recent Brazilian leader were to come closest to fulfilling them.

FINANCIAL TIMES CONFERENCES

THE EUROPEAN WATER INDUSTRY

London, 15 & 16 March 1993

The Financial Times fourth conference on the water industry will examine the ever-tougher yardsticks set by the European Community and its member states, the cost of up-grading water quality and moving to new methods of waste disposal. Opportunities and challenges for companies seeking fresh markets in Eastern and Central Europe will also be assessed.

Speakers taking part include:

Mr David Maclean MP
Minister for the Environment and Countryside

The Rt Hon The Lord Crickhowell PC
National Rivers Authority

Mr Tom Garvey
EEC

Miss Janet Langdon
The Water Services Association of England and Wales

Dr Jürgen Müller
Deutsches Institut für Wirtschaftsforschung

Dr Leszek Baginski
Polish Ministry of the Environment, Natural Resources and Forestry

Mr Ian Byatt
Office of Water Services

Mr Jean-François Didion
Lyonnaise des Eaux Dumez

Mr John Bellak
European Waste Water Group
Severn Trent Plc

Professor George Fleming
Strathclyde University

Mr Josue Tanaka
European Bank for Reconstruction and Development

Mr Nikolai Mikheev
Ministry of the Environment and Natural Resources of the Russian Federation

THE EUROPEAN WATER INDUSTRY

☐ Please send me conference details

☐ Please send me details about exhibiting at the conference

Financial Times Conference Organisation
102-108 Clerkenwell Road, London EC1M 5SA
Tel: 071-814 9770. Tlx: 27347 FTCONF G. Fax: 071-873 3975

Name Mr/Ms/Ms/Other _____ Dept _____

Position _____

Company/Organisation _____

Address _____

City _____

Country _____

Post Code _____ Tlx _____ Fax _____

Tel _____

Type of Business _____ HA

You Have To Fly More Than 14 Hours Without Stopping For Fuel.

No problem.

You're in the ultra-efficient McDonnell Douglas MD-11.

The MD-11 offers unsurpassed passenger comfort and dispatch reliability.

And it's just the latest in a long line of McDonnell Douglas success stories—from the remarkable F15E to the revolutionary C-17.

It's this record of proven performers that has made us a world leader in aerospace technology.

MCDONNELL DOUGLAS

Performance Above And Beyond.

© 1992 McDonnell Douglas Corporation

NEWS: INTERNATIONAL

RESCUE OPERATION UNDER WAY

Bad loans threaten Japan finance system

By Charles Leadbeater
in Tokyo

A BUILD-UP of up to ¥5,800bn (\$30.68bn) in bad loans at loosely regulated non-banks could pose a serious threat to the Japanese financial system, according to a report by the research arm of Nippon Life Insurance, the country's largest insurer.

Many of the non-banks are affiliated to commercial banks and large industrial groups. Non-banks are regulated by local government officials rather than the ministry of finance.

They lend but do not take in deposits from savers and are usually financed by loans from larger financial institutions, mainly banks.

The report by the NLI Research Institute says an extensive rescue operation is under way to prevent any large non-bank from going bankrupt. The non-banks have loans worth ¥98,000bn outstanding,

Non-banks may have bad loans of up to ¥5,800bn

about 40 per cent of them to the real estate industry which has been badly hit by the fall in land prices over the last two years.

Non-banks had loans worth about ¥3,000bn to corporate clients which went bankrupt between autumn 1991 and December last year, the report says. In addition they had loans worth about ¥2,000bn to clients which NLI classified as having borrowed excessively.

The report says that at least 50 non-banks are being supported by their larger financial affiliates, which have reduced the interest rates they are charging on loans to non-banks. These include 25 non-

banks which are affiliated to commercial banks and seven housing loan companies.

Of the 60 non-banks which NLI identifies as receiving financial support, about 33 have been given interest rate exemptions and reductions on borrowings worth about ¥6,600bn.

The report puts the annual value of these interest rate reductions and exemptions at ¥2,590bn.

The report estimates that 34 of these financially troubled non-banks have bad loans, mainly to property companies, which are worth ¥5,800bn.

According to finance ministry figures the top commercial banks had bad loans worth about ¥12,300bn at the end of September.

However this is widely believed to be an underestimate of the extent of bad loans in the financial system, as it does not include bad loans at regional banks and among non-

Angolan fighting closes oil terminal

THE West Africa division of Texaco said yesterday that about 75,500 barrels a day (b/d) of Angola crude production has been shut down because of fighting between Angolan troops and rebels has forced the closure of an oil loading terminal at Soyo.

Soyo terminal operator Fina Angola shut down the field early on Monday and asked Texaco to halt the 55,000 b/d output from its offshore field and a 24,500 b/d onshore field, a spokesman said by telephone from Florida.

Unita rebels began fighting on Monday to capture oil-rich areas in the north and retake their headquarters in central Angola.

Soyo is the base area for five foreign-owned petroleum companies, staffed by Angolan nationals and some 500 foreign workers from Portugal and other European countries, according to the Portuguese news agency LUSA.



Pilots and deck crew check bombs aboard the USS Kittyhawk

Iraq holds out an olive branch

By James Whittington in Baghdad and Our Foreign Staff

IRAQ, which last night offered a ceasefire with the UN-led forces to come into effect this morning, appears to be starting to seek ways to reopen lines of diplomatic communication with the west.

Earlier yesterday the Vatican said it had agreed to an Iraqi request to ask Mr Boutros Boutros Ghali, the UN secretary general, to promote dialogue between Baghdad and the allies aimed at ending the current crisis.

Mr Wissam Chawkat al-Zabawi, Iraq's ambassador to the Vatican, conveyed the request yesterday in talks with Archbishop Jean-Louis Tauran, the Holy See's foreign minister.

What seemed to be another olive branch was offered to president-elect Bill Clinton by

President Saddam Hussein's press secretary, Mr Abdul Jabbar Muhsein, in an open letter published in yesterday's al-Thawri newspaper. "Mr President, the people did not elect you to (continue) with these policies... be with change, with a real new world as you promised... hostility towards Iraq will deny you the realities on which the legitimate interests of your country stand," it said.

But Baghdad did not immediately renounce its rejection of the no-fly zones north of the 33rd parallel and south of the 32nd parallel as illegal, and has been arguing that Washington had no backing from the UN Security Council for its recent attacks which it says have killed at least 45 people.

A Revolutionary Command Council statement offering the mutual ceasefire said merely that "This gives the new

administration in the US time to study the no-fly zones in the north and south" and time "to establish a constructive dialogue".

Iraq has been hit four times in less than a week by allied air attacks to enforce the no-fly zones and UN Security Council resolution 688, despite the fact that, unlike UN resolutions on Kuwait, resolution 688 contains no provision authorising states to enforce compliance. The Iraqi regime, ahead of the statement last night, had said it would continue to resist what it sees as an infringement of sovereignty.

Mr Tariq Aziz, deputy prime minister, said the no-fly zones was part of a hidden agenda by some western nations.

While voicing the right to resist the no-fly zones, the regime seems to be softening its stance towards the UN. After the initial stand-off week

in which Iraq said that it could not guarantee the safety of UN flights, Mr Aziz on Saturday said that the UN special committee could enter Iraqi airspace from the west through Jordan. The following day Mr Mohammed Saad al-Sahaf, Iraq's foreign minister, issued a statement saying that UN aircraft could fly directly from Bahrain to the Habaniya airfield in Iraq if all allied patrols over the southern no-fly zone are suspended during the flights.

Iraq officials earlier yesterday confirmed that both options are still open, although they have not been deemed adequate by the west.

The regime says it has this week stopped all raids across the border into Kuwait and police posts have been removed from inside Kuwaiti territory, both the cause of friction with the UN.

New machinery orders fall 16%

By Charles Leadbeater

JAPANESE corporate investment in new plant and equipment is still depressed according to official figures published yesterday. They show that orders for new machinery in November were 16 per cent down on the year before.

The Economic Planning Agency, which released the figures, said it was the eighth

consecutive year-on-year fall in orders from manufacturing industry, excluding the shipbuilding and electric power industries.

The value of orders in November was ¥919.2bn, (\$4.9bn), about 15 per cent up on the previous month largely because of a surge in orders from the coal and oil industries, which distorted the figures.

Mr Yoshio Hayashi, the finance minister said he was

not yet considering plans to front load public works spending into the first half of the 1993 fiscal year as the Japanese parliament has not yet approved the budget for 1993.

However, it is widely expected that once the budget is approved the ministry will bring forward public spending plans, as it did last year, to help maintain the momentum of spending on public works.

Kenya wants refugees out

The Kenyan government said yesterday it had asked the United Nations to send home immediately all 500,000 refugees in the country, Reuters reports from Nairobi.

"The numbers of refugees in Kenya from Somalia, Ethiopia and Sudan have not only seriously compromised the security of this country but greatly overstretched the infrastructure and medical services," a government statement said.

Earlier in the day, the government freed its last four political prisoners in a goodwill gesture towards domestic and foreign critics after President Daniel arap Moi's disputed election victory last month.

Among those freed was Kenya's most prominent dissident, Koigi wa Wamwere, an outspoken critic of Moi who was arrested in October 1990 and faced the death penalty for charges of plotting to overthrow the president.

Uzbek ban

The Supreme Court of the former Soviet republic of Uzbekistan yesterday shut down the chief opposition group for three months, accusing it of violating a ban on public demonstrations, Steve Levine reports from Tashkent.

Sultans' rights

Malaysia's parliament yesterday approved constitutional amendments to strip the country's nine hereditary sultans of their immunity from the law, Reuters reports from Kuala Lumpur.

The vote was passed by 133 votes with 16 abstentions. No one opposed the bill, which was proposed by Prime Minister Mahathir Mohamad.

Companies face Seoul tax inquiry

SOUTH Korean tax authorities said they were investigating the subsidiaries of four foreign companies on suspicion of submitting false tax bills, Reuters reports from Seoul. A National Tax Administration (NTA) official said the South Korean operations of Swedish packaging specialists Tetrapak, US computer component maker Applied Magnetics and US tobacco giants Philip Morris and R.J. Reynolds, a unit of R.J. Nabisco Holdings, were under investigation.

The official said the NTA suspected Hankook Tetrapak, Applied Magnetics Korea, R.J. Reynolds Korea and Philip Morris Korea of underpaying corporate taxes between calendar 1989 and 1991. He said AMK and Hankook Tetra were suspected of underpricing manufacturing costs in order to transfer sales revenues to their parent companies, while the cigarette companies are thought to have set excessive import prices.

Hurd sees way to renew China talks

By Robert Mauthner, Diplomatic Editor

A WAY can be found to reopen stalled talks between Britain and China over disputed proposals by Mr Chris Patten, the Hong Kong governor, for democratic reforms in Hong Kong, Mr Douglas Hurd, the British foreign secretary, said yesterday.

Mr Hurd, who was speaking after a meeting in London between a delegation of conservative members of Hong Kong's Legislative Council (Legco), Mr John Major, the prime minister, and himself, did not give details of the conditions for a resumption of Sino-British discussions.

"The prime minister said that we entirely accepted that it was desirable to talk these things through with China. He said that we believed - without being specific about tactics - that a way for that can be found," Mr Hurd said.

But "it was a little too soon" for either side to decide

whether a meeting in Beijing between himself and Qian Qichen, the Chinese foreign minister, should take place as scheduled.

The UK foreign secretary left open the possibility that the Patten proposals might be amended when they are submitted to Legco at the end of next month. But he declined to comment on a suggestion by the conservative Legco members that Mr Patten should take the initiative in revising his proposals before they were debated in Legco, as a way of improving relations with China.

Mr Allen Lee, the leader of the so-called Hong Kong Co-operative Resources Centre delegation, said it had expressed concern at the current impasse.

"We called on him [Mr Major] to amend the package as a gesture of goodwill," Mr Lee said. "We also wanted to impress on him the urgency of resuming the dialogue with China."

Lee urges Singaporeans to spread their wings

The island state is urged to recapture the entrepreneurial spirit, writes Kieran Cooke

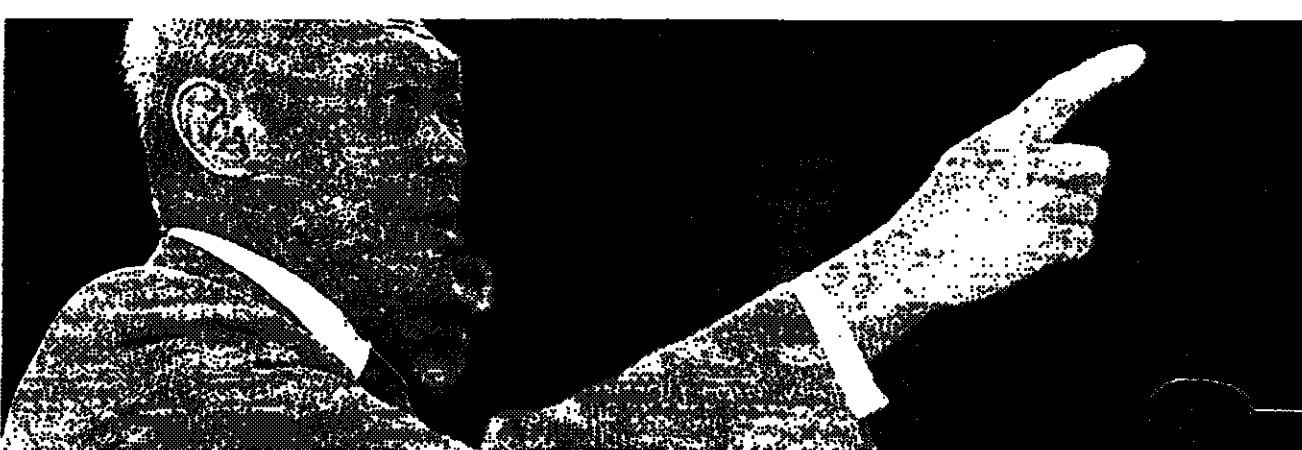
ACCORDING to Mr Lee Kuan Yew, Singapore is the most comfortable country in Asia. But Singapore's former prime minister is not boasting - he is worried. "That's our problem," says Mr Lee. "Too comfortable, no one wants to go abroad... we have got to shake Singaporeans up, make them adventurous, or we will be losers."

When Mr Lee, now a senior minister, talks, Singaporeans listen. Singaporeans are busy discovering a world outside their island republic. A day hardly goes by without an announcement of another overseas investment project.

"China fever" has gripped boardrooms. Mr Zhu Zhenyuan of the Chinese embassy in Singapore says Singapore's investments in China in the first six months of 1992 totalled \$494m (£325m) against a total of \$896m for the entire 1979-91 period. "I believe Singapore's total investment commitment in 1992 will exceed the total commitment of the past 13 years," says Mr Zhu.

Singapore's businessmen are busy in Vietnam. The island state is Vietnam's leading trading partner with total two-way trade of more than \$530m in the first six months of 1992.

Both Vietnam and China are tapping Singapore's expertise in infrastructure development. Several million Singapore dollars have been invested in hotel, shipyard and telecom-



Lee Kuan Yew, former prime minister: "We have got to shake Singaporeans up, make them adventurous, or we will be losers"

munications projects in Vietnam. Singapore's large state companies, which still have a big influence on the domestic economy, are linking up with the private sector as part of a "Singapore Inc" approach to winning China projects.

The Shanghai authorities are discussing a \$4430m (£168m) airport project and the formation of a special economic zone with the Singaporeans.

But it is Fujian province, further to the south, that is attracting most interest from Singapore. Fujian is the home of the Hokkien Chinese dialect group, the dominant group in Singapore.

Mr Oei Hong Leong, a Singapore businessman with strong links to the Chinese community in Indonesia, has taken control of more than 60 former state-owned enterprises in Fujian. Late last year two of

Singapore's biggest state companies, Singapore Technologies and Jurong Environmental Engineering, entered into a partnership with Mr Liem Sioe Long, the Chinese-Indonesian tycoon, to develop a 5,000 hectare industrial park in Fujian. The estimated cost of the first phase of the project is \$8300m.

The same Singapore-Liem partnership has already successfully developed an industrial park on Batam, an Indonesian island about 20km south of Singapore.

To encourage greater investment overseas, the government is providing low interest loans for various projects. Singapore's Trade Development Board has promised to help businessmen identify overseas investment opportunities. Singaporean schools are being set up abroad to encourage families to go overseas.

This more outward looking, aggressive approach to business is slowly being adopted by Singapore's cash rich banks. Traditionally viewed as conservative stay-at-home institutions, Singapore's four main banks - Overseas-Chinese, DBS, United Overseas Bank and Overseas Union Bank - are now big lenders in the region and are pushing for more international loan syndication business.

Singapore's banks have now surpassed Hong Kong as Thailand's main lender. While Hong Kong still has the lion's share of China loan business, Singapore banks are starting to edge into that market. Total offshore borrowings arranged by Singapore banks rose by 30 per cent in the first half of 1992 to more than \$4bn.

Singapore's 2.8m people are sitting on a mountain of

savings. Savings now stand at 47 per cent of GDP. The country's foreign exchange reserves are officially reported to be nearly \$40bn but are generally believed to be much higher.

While investments have been made in manufacturing enterprises in Malaysia and to a lesser extent in Indonesia, the main part of Singapore's reserves have in the past been invested in stocks, shares, bonds and real estate - the latter principally in Australia.

Other investments - by state companies in technology ventures in Silicon Valley - have not been so successful.

According to Mr Lee the thrust of Singapore investment policy must change.

Singapore must become more like South Korea, Taiwan and Hong Kong which have internationalised and made far flung investments in manufac-

turing and other projects.

But Singapore has a lot of catching up to do. Hong Kong entrepreneurs have been investing heavily in China for years. The Taiwanese, despite restrictions on doing business with China, have been quietly investing millions of dollars. The South Koreans are working on projects all over the world, some under very tough conditions.

Investors in Batam, almost within sight of Singapore, say it is very difficult to coax Singapore managers to the island. "Even when we get them here, they want to rush back at the slightest opportunity," says an electronics plant manager.

Mr Lee says Singaporeans have no choice but to become more outward looking - more willing to take risks, not so afraid of failure.

The irony, say many Singaporeans, is that Mr Lee himself is largely to blame for fostering attitudes he now criticises. Mr Lee's critics argue that by building up an over-regulated, carefully controlled society, with an economy dominated by state companies, the entrepreneur has been squeezed out of the Singaporean.

"For years he [Lee] told us how wonderful Singapore was and how dangerous and terrible everywhere else was in comparison," says a Singapore trader. "He bred a sort of xenophobia. He can't expect people who have grown up with those ideas to suddenly be packing their bags and wandering off to the outposts of China or Mongolia."

Thailand plans tax incentives to attract investors

By Victor Mallet in Bangkok

THAILAND, facing a sharp fall in inward foreign investment, yesterday announced plans to attract new investors and ease congestion in Bangkok by refining tax incentives and putting more emphasis on development in the provinces.

Approaches by foreign investors to the Board of Investment (BoI) fell for the third year in a row in 1992, with the value of foreign capital registered in new applications dropping to Bt12bn (\$304m) from nearly Bt25bn in 1991. The total value of proposed investments in domestic and foreign applications fell by a quarter to Bt213bn.

Although actual investment in 1992 remained high - reflecting earlier applications - Thai officials are anxious to ensure a steady inflow of foreign money to finance the next stage of the country's industrial development.

Mr Stapanon Kavitanon, BoI secretary general, told a meeting of the European chambers of commerce in Bangkok yesterday that the decline in foreign direct investment was due to a combination of "political instability in Thailand, the opening-up of new cheap labour sites in the region, the well-known infrastructure and manpower constraints of our nation, and the recession in world markets".

BoI officials are proposing a

number of changes to Thailand's incentive scheme for investors, including benefits for companies which move factories away from Bangkok and increased incentives for investments in the provinces furthest from the capital.

The plan, according to Mr Stapanon, is to put the emphasis on location rather than export promotion when it comes to granting BoI privileges to potential investors.

The BoI board, chaired by Mr Chuan Leekpai, the prime minister, who has pledged to support regional development, will consider the proposals later this month.

Despite the downturn in applications, Mr Stapanon said he was comforted by the knowledge that investment would be sustained by a series of large infrastructure projects and by the increasing number of new projects in areas that would deepen Thailand's industrial base.

Taiwanese investment in Thailand has fallen sharply, as it has in Malaysia, but this reflects the fact that Taiwanese businesses are locating "screw-driver" assembly operations and textile factories in countries with cheaper labour costs, such as Vietnam.

Meanwhile, Japanese and European companies are using Thailand for investments in more sophisticated sectors such as chemicals and automotive components.

مكتبة من الأعمال

Manufacturers increase pressure on government's strategy to keep inflation below 4% Devaluation prompts rise in prices

By Tony Jackson
and Ralph Atkins

UK manufacturers are pushing up prices in the wake of sterling's devaluation, putting pressure on the government's anti-inflation strategy.

Downing Street said yesterday it was confident the government's target for inflation of between 1 per cent and 4 per cent would be met, in spite of the price rises. However, one senior minister said: "Companies seem to be throwing away their advantage, just when they should be strongly placed for recovery."

Recent price rises include:

- More than 7 per cent on electrical goods from Siemens UK.
- Some 8 per cent on float glass from Pilkington.
- Up to 13 per cent on steel from British Steel.
- Up to 7.5 per cent on Ford cars; 4.9 per cent on Volkswagen models.
- Up to 12.5 per cent on personal computers.

Mr John Major yesterday reiterated to MPs the importance he attaches to reducing inflation, "so we can create lasting jobs for the future". Downing Street also said it expected price rises to be offset by price falls elsewhere.

Manufacturers in hard-pressed industries such as building materials and chemicals said they expected no price increases until demand

picked up. RMC, the cement maker, said: "First we have to stop them falling."

Importers of finished goods from the continent, however, pointed out that devaluation meant cost increases in sterling terms of 15 per cent. Siemens said "this is a tremendous problem".

The government had hoped that manufacturers would respond to devaluation by holding their prices and pushing up market share against imports, thus helping the balance of payments. But Pilkington and British Steel have been losing money.

It is not yet clear that all the mooted price rises will take effect. Pilkington and British

Steel have tried to raise prices without success in the past few years. In glass, steel and personal computers prices have actually fallen sharply.

In cars, it is not yet clear whether the latest price rises will be whittled away by discounts. The latest price rises from Ford and Volkswagen come hard on the heels of rises last year, in October and November respectively. Prices were also raised late last year by Rover and Vauxhall.

In personal computers, prices have risen by up to 12.5 per cent since devaluation. The increases have come in both UK-produced PCs and imports. For the previous two years the industry had been locked in a

price war which had seen prices falling by up to 40 per cent a year.

Industry analysts yesterday doubted whether the rises would stick, given over-capacity in the glass industry and the low level of construction orders. One said: "They won't get the whole increase, for sure. European prices are not standing still."

Some analysts said industrial price increases could leave some companies exposed if the French franc was devalued. In addition, the deepening recession in continental Europe continues to push prices down in some products, offsetting the effects of devaluation for companies exporting to the UK.

UK drug seizures valued at £546m

By Andrew Jack

HM CUSTOMS & Excise seized a record £546m worth of illegal drugs including more than 2 tonnes of cocaine last year, according to figures released yesterday.

There were 2,568 people arrested and 47 drug smuggling gangs broken up during the year, the 1992 annual drug seizures statistics showed.

Cocaine hauls totalling £339m - more than twice the amount in the previous year - were confiscated. There were heroin seizures of £48m by street value and cannabis worth £134m.

The figures follow the announcement two weeks ago of a new anti-drug co-operation agreement between Customs and the Cruising Association, the independent group representing yachting enthusiasts.

The guidelines call for yacht users to keep constant vigilance and report any suspicious happenings to the authorities quickly.

They should in particular notify officials of suspicious vessels or crews, small boats approaching larger vessels or suspect packages on beaches, ports or at sea.

In return, Customs pledges

to treat any information in strict confidence and to help educate in ways to avoid being exploited by drug traffickers.

Sir John Cope, the minister responsible for Customs & Excise, said the drug seizure figures showed that western Europe had been targeted by the drugs cartels.

"The results achieved demonstrate that our law enforcement efforts through import controls, joint Customs-police operations and shared international intelligence are a match for the drug smugglers," he said.

"The changing pattern of seizures clearly shows we cannot afford to be complacent."

The seizure values were up from a total of £271m in 1991, but included declines in the value of synthetic drugs confiscated by a quarter to £35m, and of nearly two-thirds for opium to £37,000.

Property worth £2.2m and £2.27m is presently under restraint through 77 separate orders under the 1986 Drug Trafficking Offences Act.

In the past year 64 Confiscation Orders were imposed by the courts totalling £5.1m and £1.17m, and four people were charged with money laundering offences.

Britain in brief



Government climbs down on rail plans

The government has announced that it has climbed down over one of the key aspects of its rail privatisation plans: the requirement that their should be open competition on the railway tracks between rival train operators.

Instead it has decided that the private sector companies will be granted exclusive franchises for the television areas.

Mr John MacGregor, transport secretary, has reluctantly had to concede the need for exclusive franchises in the face of the private sector's reluctance to become involved in any form of privatisation that would involve open competition on the tracks.

Private finance urged for NHS

Managers in Britain's state-funded National Health Service are being told by the department of health that they must be "innovative and receptive" to new ideas for increasing the use of private sector finance.

Mr Gordon Greenfield, NHS director of finance at the department of health, is calling on hospitals in Britain to consider more joint ventures with the private sector, leasing arrangements and market testing the possibilities of contracting-out both patient and support services.

The letter reflects the view of Mrs Virginia Bottomley, health secretary, that the government can promote private sector investment without reviving allegations that it wants to privatise the service.

Trust savings show first fall

Investment Trust savings schemes showed their first annual fall since records began in 1984. The total amount invested through savings schemes for 1992 was £115.5m, down from £119.5m for 1991. The Association of Investment Trust Companies said that poor stock market performance and lack of investor confidence due to the weak economy had been the main factors.

Church makes TV commercial

The Church of England has made history with the first religious commercial on British television. The diocese of Lichfield in central England is spending £7,000 on 10 commercial slots over the next fortnight, with two different adverts.

Job advertising criticised

Cases of bogus job offers are highlighted in the latest Advertising Standards Authority monthly report.

A complaint by the department of trade and industry was upheld against Worldwide Recruitment Services, which ran an advertisement in The Sun newspaper under the headline "construction works exceeding £10bn - all construction trades required".

The advertisement suggested that building work was available in Hong Kong, and that "free information" would be sent to applicants. The DTI maintained that as an abundance of local workers was present in Hong Kong and China, such jobs would probably not be available to UK residents.

End of an era at Lloyd's

Visitors to the chairman's office at Lloyd's of London will no longer be greeted and served tea by "waiters" in Victorian navy blue and crimson tail coats.

Mr "Tug" Wilson and Mr Malcolm Archard, will be the last "chairman's waiters" in Lloyd's 305-year history.

Their redeployment this week to other jobs signals the adoption of a more business-like approach at the Lloyd's Corporation and the end of what one insider called the "gold plated era", as the market adapts to strained circumstances after three years of heavy losses.

Opposition drops calls for higher taxation

By Philip Stephens,
Political Editor

BRITAIN'S opposition Labour party yesterday dropped its controversial election plans for higher income tax and national insurance contributions as it called on the government to put a new employment and investment strategy at the heart of the March 16 Budget.

In a shift signalling that the party has learnt the lesson of four consecutive defeats, Mr John Smith, Labour leader, said that an emergency programme to tackle unemployment and boost investment could be financed largely by a windfall tax on privatised utilities. Additional revenue could be raised by deferring the abolition of stamp duty on share transactions and closing a number of tax loopholes.

Labour's Budget package marks the first stage in a move by Mr Gordon Brown, the party's chief finance spokesman, to shift the economic debate away from the party's tax and spending plans to its long-term strategy of improving industrial competitiveness.

In a series of speeches over coming weeks he is expected to identify education, training, and investment in infrastructure and industry as the core priorities of a future Labour government.

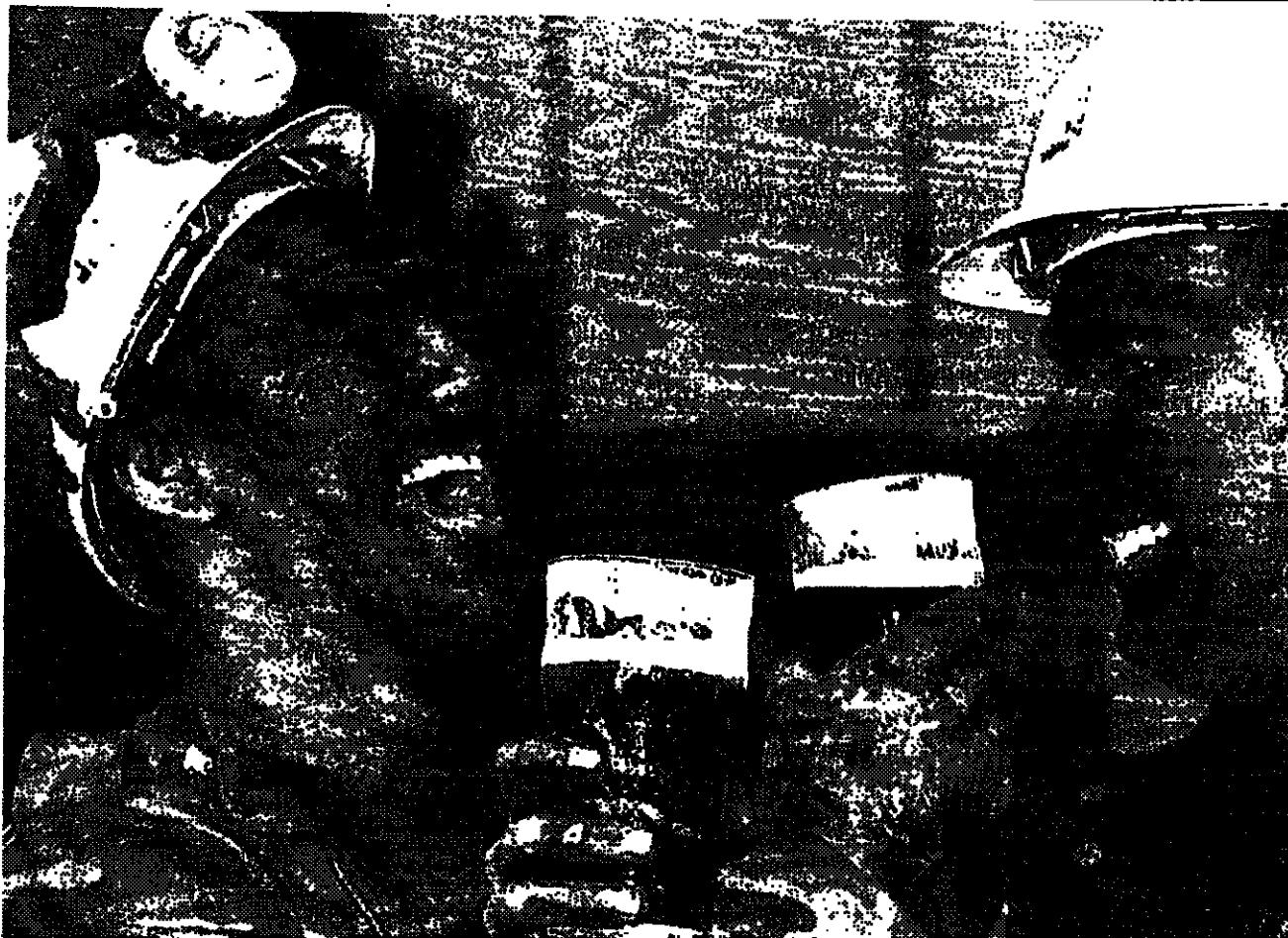
Mr Brown will argue that debates over the precise level of the borrowing requirement or the exchange rate distract attention from the central weakness of the economy: a failure to invest in the nation's productive capacity and the skills of its workforce.

He is expected to signal that the party can no longer preoccupy itself with arcane philosophical debates over the respective roles of capital and labour and line between the public and private sectors.

Labour's more immediate priority is to contrast its call for a firm offer of work or training for all those out of work for a year or more with the government's intention to weaken its guarantees for 1m unemployed 16 to 24 year olds.

Mr Brown said the guiding principle behind government-funded employment and training schemes should be that they contribute to economic efficiency.

He called for a series of other Budget initiatives ranging from the offer of financial help to small firms and expanded fiscal incentives for industrial investment to a self-financing environmental initiative to encourage energy conservation. He demanded also that the government allow local authorities to release more of their existing capital receipts to help restore confidence in the construction industry.



Coal miners at one of Britain's newest pits celebrated yesterday after breaking three European mining records. Workers at Wistow Mine in the Selby coalfield, central England, achieved a record weekly output tonnage of 173,156 tonnes and broke a separate European record after extracting 100,000 tonnes from one coalface in a week. It became the first British mine to produce 2m tonnes since the start of the financial year - the fastest in Europe. Wistow is not threatened by the government's pit closure plans

Tax boost fails to curb state deficit

By Peter Marsh,
Economics Staff

A BOOST to tax payments caused by a change in the rules for collecting VAT, Britain's retail tax, failed to prevent a sharp rise in the public sector borrowing requirement (PSBR) for December.

Largely due to another big increase in public spending, last month's PSBR - the level of the government's debt - climbed to £3.43bn, compared with a £1.33bn deficit in December 1991, the Treasury said yesterday.

The deficit for the first nine months of 1992-93 was £25.7bn, compared with £10.3bn in the similar period for the previous year.

The Treasury is forecasting a PSBR for this year of £37bn, after one of £13.3bn in 1991-92. Much of the change is due to weak economic activity constraining tax receipts, while higher unemployment has pushed up social security spending.

The spiralling deficit is casting a cloud over the March 16 Budget, in which the Conservative government may be forced to increase taxes to reduce state borrowing.

Government receipts last month came to £5.49bn, compared with £5.89bn in the corresponding month a year

before. The relatively high figure was mainly due to additional revenues from Value Added Tax (VAT), caused by many large companies making these payments on a monthly basis rather than every quarter.

The Treasury said that due to the change, receipts in December were between £750m and £1bn higher than would have been expected.

Receipts this month are also likely to be boosted, while the figure for February will be correspondingly reduced.

In December, spending by central government departments came to £19.91bn, compared to £16.2bn in December 1991.

The spending figures are calculated after allowing for privatisation proceeds.

These came to £1.3bn in December, resulting from the sale of government holdings in BT and electricity generators' debt.

Excluding privatisation payments, the PSBR for the first nine months of the financial year was £26bn, in contrast to the £17.2bn deficit at the same stage in 1991-92.

During the first nine months of this year, government revenues were £147.5bn, little changed on the £146.9bn collected in the corresponding period in the previous year.

Scotch makers urge reform of excise duties

By Philip Rawstone

THE Scotch whisky industry, faced with a fall in UK sales of 1m cases a year and a spate of job losses, is pressing for a radical reform of liquor taxation, writes Philip Rawstone.

Heavy excise duties have been a significant factor in the accelerating decline of whisky's share of the drinks market, according to the Scotch Whisky Association in a pre-Budget submission to Mr Norman Lamont, chancellor.

Since 1979, whisky sales have fallen 30 per cent while wine consumption has increased 60 per cent.

A single whisky and a glass of wine contain the same amount of alcohol - but the whisky carries almost twice the duty - 23p compared with 12p.

The full effect of changes would gradually become apparent, Mr Heseltine told the Commons select committee on agriculture.

A full-scale review would be planned, would further prolong uncertainty in the industry.

Sir Bryan Carsberg, director

Government abandons review of brewing industry changes

By Philip Rawstone

THE government has abandoned plans for a full review of the effects of "beer orders" - changes to the brewing industry brought about by Monopolies and Mergers Commission inquiry in 1989.

Mr Michael Heseltine, trade and industry secretary, announced yesterday that it was "highly desirable that both brewers and pub tenants should now have a period of stability".

The full effect of changes would gradually become apparent, Mr Heseltine told the Commons select committee on agriculture.

A full-scale review would be planned, would further prolong uncertainty in the industry.

Sir Bryan Carsberg, director

general of fair trading, would continue to monitor the market and would investigate any evidence of anti-competitive behaviour, he said.

But a full review would be left to the European Commission which is due to re-examine the effects of exclusive "tied" beer supplies to pubs and clubs in 1997.

National brewers, who have had to sell or lease nearly 12,000 pubs to comply with the beer orders, last night welcomed the decision. "This is very good news," said Allied-Lyons.

However, Mr Anthony Fuller, chairman of Fuller Smith & Turner, the London brewer, said: "I do not think that it is right to leave the review to Brussels alone."

Evidence by the department

of trade and industry to the select committee said that the MMC believed the beer market had become more competitive as a result of the beer orders.

The freeing of 12,000 pubs - a third of the national brewers' estates - had significantly reduced the proportion sold through tied outlets. The free pub trade accounted for 49 per cent of beer sales compared with 37 per cent in 1989.

Regional brewers had acquired up to 2,000 more pubs and about 100 new retail operators had entered the market - acting as a counterweight to increased concentration in brewing.

The wholesale price of beer had fallen in real terms and there were signs that retail prices were responding.

Japanese plants lift demand for car parts

By John Griffiths

JAPANESE car plants in the UK will fuel sustained growth in the motor components sector, lifting annual demand for parts to £5.7bn by 1996 from £5bn last year, according to a study of the components industry's prospects.

The study, produced by the consultancy Marketing Strate-

gies for Industry (UK), estimates a 25 per cent increase in demand for components from vehicle makers over the period, considerably outpacing the replacement parts market.

It is based on the expectation that UK car production will rise strongly, from 1.25m in 1992 to 1.4m in the current year and 1.5m in 1994.

Replacement parts, required

to keep the UK population of 23m cars on the road, represents a much larger market than that for original equipment, but the sector's growth is slowed by the greater reliability and longevity demanded for components.

The replacement market is expected to grow much more slowly, from an estimated £3.7m last year to £3.99m in

1994 - a rise of just under 8 per cent.

Fierce competition exists across every components sector, although mainly between a relative handful of large rivals. Goodyear and Michelin are in close rivalry for tyre market leadership, with Pirelli lying third. The "big three" were found to account for 60 per cent of the total tyre market.

Heseltine's coal rescue plans may fall foul of EC rules

Mr Michael Heseltine, the UK trade secretary, who is trying to find ways of saving the UK coal industry, may have to accept tough EC deadlines for phasing out any subsidies which he includes in his rescue plan.

EC officials are studying how a UK coal subsidy might fit in with EC policies limiting state aid to industry, following Mr Heseltine's visit to Brussels for consultations last week.

The difficulty is that the EC position is far from clear, with the Commission's energy and competition directorates on conflicting courses over how to sort out the EC's heavily subsidised energy market.

The meetings which Mr Heseltine held with Mr Abel Matutes, the new energy commissioner, and Mr Karel Van Miert, the new competition commissioner, were a prelude to high-level political negotiations on coal subsidies which will begin after he tables his rescue plans next month.

Andrew Hill in Brussels and David Lascelles in London look at how UK subsidies might fit in with policies limiting state aid to industry

Such negotiations could provide a fascinating spectacle. For the last four years, Sir Leon Brittan, the determinedly anti-subsidy commissioner who preceded Mr Van Miert, has sparred with socialist-governed member-states such as France over the sensitive issue of state aid.

It will be interesting to see how a determinedly anti-subsidy government fares against a socialist commissioner in the same debate.

Under new draft rules for state subsidies to the EC coal industry - which will come into force from 1994 if approved by member states - inefficient mines would have to bring their production costs in line with the Community average, or lose their right to aid.

Energy officials believe that under these rules, Mr Heseltine

should be able to subsidise Britain's mines, which are the most efficient in the Community.

It is the high-cost, heavily subsidised pits in Germany and Spain which would have to work hard to improve efficiency, and retain government support.

"If you're a good pupil, and you do a good essay, you're allowed to go out and play, while the others continue to study," explains one energy official.

But Mr Heseltine's plan to support the coal industry might fall foul of guidelines observed by the Commission's competition authorities.

Under these non-binding criteria, introduced at the time of the British electricity privatisation in 1990, Brussels allows member-states to protect up to 20 per cent of their indigenous energy sources through

subsidies or supply contracts signed with electricity generators. The aim is to underpin security of supply, but without distorting the growing market for cross-border sales of electricity.

It is a unique part of Commission state aid policy in that the size of subsidy member-states can grant to these protected industries is unrestricted. But the policy hamstrings Mr Heseltine because the UK is already up against the 20 per cent limit.

The main recipient, according to the Department of Trade and Industry, is state-owned Nuclear Electric which accounts for 13 per cent of electricity generated, followed by Scottish Nuclear 40 per cent - the Longannet coal mine in Scotland - three per cent - and a fractional amount for renewable

forms of power, such as wind and solar.

If the Commission enforced the guidelines strictly in the British case, it might be put in the strange position of hastening the demise of the EC's most efficient pits, ostensibly in the interests of protecting Community energy sources.

When British and Commission officials meet in the next fortnight to discuss the options available, they will look for ways of skirting round this dilemma.

The Commission, for example, may drop its insistence that renewable energy sources should be counted as part of Britain's allowance. If the Commission then permits a consumer levy on electricity bills to support the coal industry, the size of Britain's energy subsidies will increase to nearly 30 per cent of

the market. In return, partly to save the 20 per cent aid principle, the Commission would expect Mr Heseltine to cut back the scope of aid to the nuclear industry, and to set strict time-limits on coal subsidies - perhaps abolishing them as early as the end of 1995.

But Mr Heseltine would find it hard to agree to these demands. There is little room to cut aid to the nuclear power industry because of the need to build up provisions to finance the decommissioning of old nuclear power stations.

And the 1995 deadline would impose a much tighter time limit than Mr Heseltine is believed to have in mind. Only a small number of additional mines would be able to achieve commercial viability in that short breathing space.

More time might also be needed to get British Coal into a condition where it could be privatised, which is still Mr Heseltine's aim.

MANAGEMENT

Barbara Harrison explains how US companies are learning to deal with HIV positive employees

Aids enters the office

Frank Deloio, a sales representative at Digital Equipment Corporation, the second largest US computer maker, knew for nine years that he was HIV positive before he revealed his condition to colleagues at work. "I was too scared," he says now, to disclose that he was infected with the virus that causes Aids. "I read about cases of people who would lose their jobs and [health] insurance. They would basically be left out in the cold. I didn't want that to happen to me."

Luckily for Deloio, Digital's management was one of the corporate pioneers in instituting an enlightened education and advisory programme on HIV and Aids. Begun in 1987, the programme includes seminars that explain the disease. Employees are told, for example, that they will not be infected by using the same tools, telephones, computer terminals or toilets.

By 1991, Deloio felt confident that the myths and fears about HIV and Aids had abated sufficiently among his colleagues to disclose his condition. His departmental managers responded by restructuring his job to take account of his need for medical treatment.

Paul Ross, Digital's manager of its HIV/Aids programme, believes that alleviating the fears of infected and uninfected alike is crucial to avoid workplace problems. "We made a conscious effort to manage our response to the epidemic instead of having it manage us."

Company officials concede, however, that some fears or intolerance are not diminished by education. But Digital's approach is as far-sighted and praiseworthy as it is uncommon. Over the past decade, most businesses have ignored the

epidemic. Or they have sought to rid themselves of employees they knew or suspected were infected - a practice made illegal in the US last year under the Americans with Disabilities Act.

But about 1m Americans are infected and Aids, which is the second biggest cause of death for men aged 25-44 and the sixth leading cause for women aged 25-44. And that age group comprises more than 50 per cent of the US workforce.

More than two-thirds of companies with between 2,500 and 5,000 employees and nearly one in 12 companies with fewer than 500 employees have had an employee with HIV or Aids.

In response, the US Centres for Disease Control launched a "Business Responds to Aids" programme last month. The programme, backed by companies such as Levi Strauss, Polaroid, Federated-Alfred, Coca Cola, and MGM/UA Communications, urges firms to join an education and prevention effort.

The CDC has prepared a manager's kit and a labour leader's kit to

provide step-by-step guidance on how to develop an HIV/Aids policy and an education programme. The kits contain advice on health insurance issues as well as counselling and educational resources.

It also features a section on the "do's and don'ts" under the ADA.

For example: ● Companies cannot refuse to hire an applicant with HIV or Aids because their insurance costs may rise.

● Job applicants cannot be required to take an HIV test.

● Companies cannot dismiss employees with HIV or Aids if they are able to perform the "essential functions" of a job given "reasonable accommodation" to their disability.

The CDC's effort to help businesses educate their workforces, and in so doing help prevent the spread of the disease, may be laudable, but it is expected to be an uphill battle.

Lee Smith, former president of Levi Strauss's international operations and now chairman of the Washington-based National Leader-

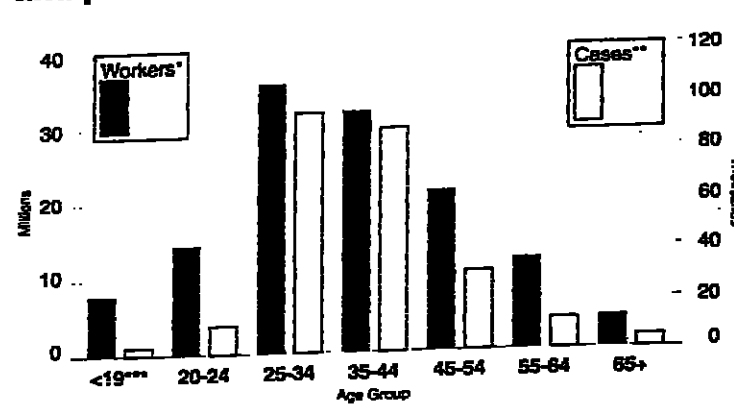
ship Coalition on Aids, an educational organisation focusing on business, recommends that, given staff turnover and transfers, Aids awareness programmes run continuously and be updated with new information.

But he warns that Aids education "is not an easy sell. There are terrible barriers around this disease," says Smith, who noted that one in 25 people in Levi Strauss's San Francisco workforce was HIV positive. He said managers, the majority of whom are heterosexual men and some of whom are homophobic, deny it's a problem and believe it won't affect them.

Smith says he first attempts to persuade managers to institute an Aids education and prevention programme on moral grounds. If that fails, he argues the case on the basis of costs, comparing the small amount required for a programme with the high cost of treatment.

For US companies, which face soaring health care costs, such arguments are compelling. Insurance premiums increase if an employee becomes infected with

Age distribution of US workforce and persons with Aids



*Data through 1990
*Data through June 1992
*Includes only cases in 15-19 age category, excludes cases in ages 0-12
Source: CDC



HIV, as is the case with any serious long-term illness.

At Digital, which is self-insured, Ross believes that the Aids programme has helped contain health care costs through early treatment

and through helping to stem the spread of the disease. With average costs for treatment from diagnosis to death running at about \$100,000, "if we've saved 10 from becoming ill, we've saved a \$1m," he said.

GrandMet toughens options criteria

Nestled inside the 1992 Grand Metropolitan annual report circulated this week are details of tough new criteria for executive share options.

At the company's AGM next month, shareholders will be asked to approve a scheme which requires the GrandMet share price to have outperformed the FTSE-100 index for more than three years before any option can be exercised.

In a corporate governance statement in the annual report, Richard Giordano, GrandMet's deputy chairman and chairman of the appraisal and remuneration committee, says the scheme "provides a proper balance between motivating and rewarding management on the one hand and protecting shareholder interests on the other."

According to the AGM document, GrandMet's previous executive share option schemes, adopted in 1983, are now up for renewal. The company argues that the schemes "materially contributed" to its success and should continue.

Its two new schemes could trigger the issue of up to 205m shares over the 10-year life of the options, or 10 per cent of current equity.

In the past, any increase in the share price over the three years allowed executives to exercise their options at the price at which the option was given to them. Under the new criteria, the option at the original price can only be exercised if GrandMet's share price not only beats the FTSE-100, but also is maintained above the index for at least six months over a period of three years - to remove the effect of any short-term fluctuations.

If this has not been achieved in the first five years after the options are granted, then the shares must beat the index over five years.

The scheme appears to echo the guidelines issued last September by the National Association of Pension Funds. Britain's largest shareholder group. It argued that there was concern over whether earnings per share - the usual key criterion for options - were a reliable indicator of corporate performance.

Angus Matheson, chairman of the NAPP's investment committee, yesterday welcomed the proposals.

Andrew Jack

Europe starts to face HIV issue

European-based companies have been slower than their US counterparts in establishing policies to deal with employees who are HIV positive or have Aids, write Paul Abrahams in London, David Buchan in Paris and Christopher Parkes in Frankfurt.

One of the main reasons is that the disease has spread more slowly in Europe than North America. In the UK, for example, 3,985 people have died of Aids since 1982.

"HIV and Aids is a new issue in Europe, and only a small number of employees have so far been involved," said Glenys Rowe, an independent consultant on HIV and Aids implications for business.

Companies that addressed the problem early have mostly been branches of US multinationals or UK-based groups with subsidiaries in Africa and Asia. Public services such as police, fire and ambulance brigades also have policies.

However, Rowe says that large and even small and medium-sized groups are now beginning to look at the issue. She says it is important for companies to prepare in advance. Some companies, for example, have been placed in the difficult position of taking disciplinary action against an employee for absenteeism and then it being revealed during a hearing that he or she is HIV positive.

About half of the companies that consider adopting a policy for HIV do not do so, but incorporate the issue into existing health policies. A special policy would lead to discrimination, they fear. An effective policy would prevent discrimination in recruitment and continued employment, and counter victimi-

sation by work colleagues. Rowe says a catalogue exists of terrible cases of victimisation. Organisations must prepare through education programmes to counter misconceptions about how the disease is spread.

One of the most encouraging signs, she believes, is the launch of the UK Corporate HIV & Aids Project. This has linked the leading Aids charities with companies such as IBM UK, Unilever, Body Shop, Kingfisher, Wellcome and Marks & Spencer. The project's aim is to produce a number of briefing sheets on a variety of policy issues when considering the impact of HIV and Aids on businesses.

In France, companies still focus on preventing the spread of Aids,

rather than organising for a future in which a sizeable proportion of the workforce may be HIV positive.

But even on prevention, a degree of corporate complacency exists which is surprising given that ministerial responsibility for the infection of haemophiliacs with Aids-contaminated blood has been a big political issue in recent months.

When the French Agency for the Fight against Aids recently surveyed more than 1,000 company personnel directors, they found that one in 10 firms had employees carrying the HIV virus. One in four companies had carried out prevention/information programmes.

But the 80 per cent of companies which had not so far introduced any specific programme said they

saw no reason to do so in the future. Yet two-thirds of those interviewed also said that for companies to relay information on Aids to their staff was appropriate.

Companies with a relatively large number of white-collar employees tended to be more active on Aids information, while those in the building sector were most passive, not to say hostile, on the issue.

In Germany, infection rates grow steadily, but Aids and the HIV virus remain issues of concern to sociologists and statisticians rather than managers - or employees.

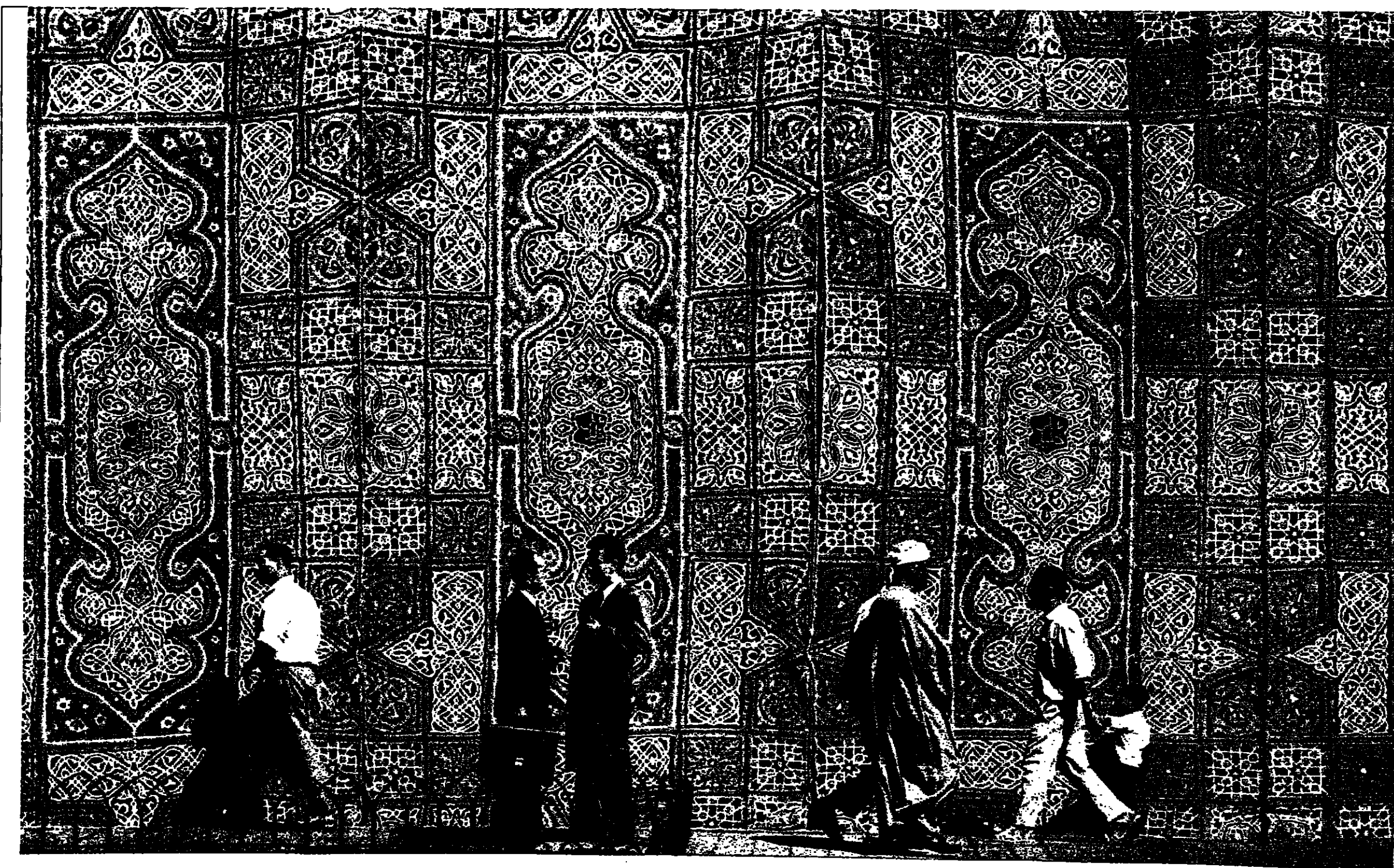
In the year to last September, federal authorities recorded 1,050 new Aids cases, taking the total to 8,750 among the 53,500 people registered as infected with the HIV

virus. Exhaustive research in the years since 1986, when the government started a national "Give Aids no chance" advertising campaign, has uncovered dwindling concern among the population.

Evidence has tended to confirm popular convictions that the risks are minimal for heterosexuals who do not inject drugs, are not among the estimated 1.8m men who regularly visit a German brothel, and do not holiday in Thailand and other "sex-tourist" hot-spots.

According to the latest statistics, homosexual or bisexual men account for 65 per cent of new Aids diagnoses and drug addicts for 15 per cent. New diagnoses attributed to infection through heterosexual intercourse in the year to last September numbered fewer than 100.

That the proportion of cases confirmed among this group has more than trebled in the past five years has gone almost unremarked.



WHEREVER YOU DO BUSINESS AROUND THE WORLD, WE'RE PART OF THE LOCAL FABRIC. At the AIG Companies, our business takes us from the canyons of Wall Street to the marketplaces of East Asia to the bazaars of the Middle East. But there's more to being global providers of insurance than just being a long way from home. AIG traces its roots

to Shanghai in 1919, and today our network stretches across 130 countries and jurisdictions. We hire local managers who understand the business practices and needs of their own markets. If you're a multinational company doing business in today's fast-changing world, you need our unique global reach and global experience.



WORLD LEADERS IN INSURANCE AND FINANCIAL SERVICES.
American International Group, Inc., Dept. A, 70 Pine Street, New York, NY 10270.

مكتبة الأعمال

If it's happened once, it's happened a hundred times.

A guest arrives at a restaurant completely unaware of any dress code.

Then, at the entrance, he is enlightened: "Sorry Sir, gentlemen are required to wear ties in our restaurant."

One would think that at this point, the guest would be politely tossed out. But unfortunately, a more severe punishment is in store for him.

Much to his embarrassment, he is handed an atrocious tie which, even by the wildest stretch of the imagination, cannot be seen to match anything else he is wearing.

Of course, by this time, everyone around is watching, and it's far too late to retreat.

So after a quick concerted effort to regain lost aplomb, he knots his tie and proceeds to the dinner table.

At The Regent, London, we think it's time to change all this.

We believe that guests shouldn't be inspected like the salad and the soufflé.

Which is why we have created some of the most pleasant places in which to dine.

Where guests will feel as comfortable in casual jackets as they will in tuxedos.

Where the maitre d' will not have a stack of ties hidden behind the cash register.

And where the waiters will not be as stiff as the napkins.

The Dining Room, a classic restaurant, offers some of the best Italian and British cuisine in London.

While the Winter Garden, with its soaring glass atrium, makes a perfect meeting place.

Of course, if you'd prefer to sit in a bar, we have The Cellars, with a truly impressive collection of imported beer, wine and champagne.

The rooms at The Regent, London are, naturally, as surprising as the restaurants.

The light, understated and contemporary decor is in stark contrast to the old architecture of the building.

We wouldn't have it any other way.

Because while we've tried to keep all the charming aspects of the old days, we've made sure we haven't forgotten the practical needs of the modern business traveller.

And let's face it, it's much easier to get work done sitting at a desk in a neat, elegant, efficiently planned room, than while sitting under

the most elaborate curtains in Great Britain.

We must admit, however, that there is one thing about our rooms that's dreadfully old fashioned. The size.

With an average floor area of fifty square metres, our rooms show scant regard for the shortage of space in London these days.

As far as technology goes, quite obviously, we have kept pace. So if you'd like to toss away the old quill, we can send up a computer to your room.

Even a fax machine, if you like.

But enough of that. It's not all work and no play at The Regent.

For those interested in keeping their bodies as active as their minds, we also have a health spa, gymnasium and swimming pool.

As well as access to twelve tennis courts just down the road.

Well, seeing that you've read this far, perhaps it's time we told you where we are located.

Hold your breath, we're in NW1, near Marylebone station.

Before you yell "not on Park Lane" and turn the page, there are a few things to consider.

For a start, what's so great about Park Lane anyway?

Do you really care whether or not you're next to five other hotels?

If you have to get to the heart of the financial district, it's quicker from where we are.

There's less traffic, and there are fewer red lights.

We also have Regent's Park just a three minute walk away, where you can stroll around and take in some of the freshest air in London.

But don't take our word for all this. Drop by The Regent and decide for yourself.

And make sure you stay for lunch.

You'll find we have the best dressed salads in town.

For reservations please call - Hong Kong 366 3361. Singapore 737 3555. Toll free: UK (0800) 282 245.

USA/Canada (800) 545 4000. Germany 0130 852332.

Switzerland 155 5344. Sweden 02079 5151.

Japan 0120 001500. Australia (008) 022 800.

The Regent, London, a Regent International Hotel, is located at 222 Marylebone Road, London NW1 6JQ, UK. Tel: (44 71) 631 8000 Fax: (44 71) 631 8080. **Opening February, 1993.**



What happens if the guest is not dressed as well as the lobster?



BUSINESS AND THE ENVIRONMENT

Karen Zagor explains how to create a beautiful office, save money and improve the environment

Audubon finds new nest

With its high ceilings, skylights, picture windows and striking centre staircase, the foyer of the US National Audubon Society's new headquarters seems more fitting for an advertising agency than a non-profit environmental advocacy group.

Yet the 101-year-old terracotta building in downtown Manhattan, complete with gargoyles and Romanesque arched windows, was recently renovated at a cost of roughly \$14m (€23m) to prove that it is possible to improve the environment, create a beautiful office and save money. "Our main motivation was financial," says Tom Exton, director of corporate fundraising.

The society, which had been renting for decades, decided to buy its office to take advantage of Manhattan's property tax exemptions for non-profit organisations. It also benefited from New York's weak property market and low interest loans.

Tax and borrowing advantages, plus a successful \$14m fundraising campaign, are expected to save the society nearly \$1m a year. It also had a perfect opportunity to create a blueprint for an economical, yet environmentally sound, office.

The society first decided it would be cheaper to renovate a virtually derelict building than to build new offices from scratch. It paid \$10m for the building, an eight-story former department store turned sweat shop designed by George Post, the architect who designed the New York Stock Exchange. Audubon said the cost of building a new office would have been \$33m.

It teamed up with Croxton Collaborative, an architectural firm whose track record in designing healthy buildings included three floors of offices for the Natural Resources Defence Centre, another environmental lobby group.

Audubon and Croxton adopted a cradle-to-grave approach to evaluate each product that came into the

and bathrooms are made from recycled crushed glass but the society decided against using toilet-stall dividers with recycled content because the dividers could not be found on the market.

Another consideration was the impact of the building itself on the environment. It is estimated that buildings, with their inefficient lighting and antiquated air conditioning and heating systems, are responsible for 25 per cent of the ozone-depleting chlorofluorocarbons in the US, 22 per cent of the carbon dioxide and other greenhouse gases and 15 per cent of acid-rain causing sulphur oxides.

Audubon and Croxton set about creating a healthy work place, since illnesses related to poor ventilation and airborne pollutants (known as sick building syndrome) are estimated to cost the US economy \$60bn annually. Most buildings suck in fresh air from street level. Audubon brings in its air from the roof. Industry standards call for buildings to filter out 90 per cent of air particles. Audubon filters out 90 per cent. Air in the building turns over 63 times an hour, instead of once or twice as in most buildings. And most of the windows can be opened.

To cut electricity costs, rooms have sensors which switch off the lights after six minutes if there is no motion in a room. Daylight sensors read the amount of natural light entering the windows and dim or increase the electric lights accordingly. Lighting fixtures are suspended instead of recessed to prevent the loss of overhead light.

Croxton knows that these techniques translate into savings. Consolidated Edison, a local utilities company, monitored the NRDC offices for three years and found that power consumption for lighting had been cut to less than 25 per cent of the level deemed efficient.

"When we started doing this five years ago, there was a substantial penalty in terms of the cost of substances available and lighting supplies," says Kirsten Childs, Croxton's director of interior design.

"There is still some penalty, but what we do in terms of energy consumption pays back in five years



The Audubon Society's 101-year-old terracotta building in downtown Manhattan

and after that there are savings in the region of 75 per cent."

Perhaps the most impressive aspect of the building is its floor-to-ceiling windows. To preserve the building's original window space without sacrificing energy efficiency, each window frame was fitted with a "thermal gasket" made from activated charcoal which prevents air from seeping through.

Each window contains a sheet of chemically-treated polymer plastic

sandwiched between two panes of thermal glazing. The sheet deflects the sun's ultra-violet radiation and helps keep the building cooler in summer. It also reflects back the infra-red radiation from the building's own heating, helping retain warmth in winter. Audubon says its windows have the same insulation value as a brick wall.

To heat and cool the building, Audubon says it chose natural gas because it is more energy efficient

and cleaner than oil. Unlike standard air conditioning systems, natural gas does not produce CFCs or sulphur dioxide and it reduces carbon dioxide emissions by 60 per cent. The society decided not to install solar panels because solar heating is not yet cost effective.

Audubon House expects to trim \$100,000 a year from its energy bill by using 68 per cent less electricity than a 61 per cent less energy than a comparable building using conventional technology. "We tend to overlook the fact that an enormous amount of energy goes into the heating, cooling and lighting of a commercial building," says Berle. "This is a gold mine of energy just waiting to be saved. For example, you don't need as much air conditioning if you've improved the efficiency of the lights and the insulation."

For insulation, Audubon used a product called Air-Krete made from sea water and magnesium salts which, unlike some foam insulation products, does not emit CFCs and does not contain carcinogenic long fibres of fibreglass. According to the society, Air-Krete's insulation value is three times as efficient as city regulations require. It is not, however, as effective as other less environmentally sound products.

In addition to the recycled glass in its tiles, Audubon used dry-wall made of 25 per cent recycled gypsum and 100 per cent recycled paper. The counter tops in the bathroom and kitchen are made from recycled plastic bottles. The society estimates that the recycled products it used were only slightly more expensive than more conventional alternatives and it expects prices to fall as demand grows.

"Part of our intention in telling the world about Audubon House is to engender a demand for green building products," says Tom Exton. Wherever possible, building materials were chosen that reduced or eliminated toxins. The Glidden paint brand was used because it has no volatile organic compounds, such as benzene and formaldehyde which are poisonous.

Plywood was avoided because pressed wood products are glued together with solvents which emit formaldehyde. For the sub-flooring, Homasote, made from recycled newspaper, was used instead.

Audubon estimates its renovation costs were equivalent to those of a conventional building because it spent less on non-essential materials such as brass and marble.

The money-saving message of energy conservation is starting to filter through to more mainstream organisations. "This is not a fad," says Childs. "You might expect an Audubon Society or the NRDC to do this but we are working for Home Box Office and Veriphone and talking to other companies."

Marriage broker proposes recycling

By Anne Counsell

One man's rubbish is another man's treasure, or in these days of waste recycling, another company's raw material. This is the philosophy behind Green Base Exchange, an information service on environmental issues and a business-to-business swap shop for materials which can be recovered and recycled.

Ingenious in its simplicity, the Green Base Exchange - based in the UK county of Essex - acts as a "marriage" broker between companies seeking items as diverse as double glazing frames and ballpoint pens and those wishing to dispose of the same.

Subscribers to the on-line exchange leave details of the material on offer, its volume, storage and collection arrangements, together with a contact name and telephone number. Other subscribers look through the industrial categories for materials they want and can either contact the company direct or leave a message.

The exchange works through an electronic bulletin board system and can be accessed by anyone with a personal computer and modem. Behind the screens is environmentalist David Cooper. A one-time adviser to the Prince of Wales' Youth Business Trust and development consultant for new businesses in the 1980s, Cooper soon became aware of an information gap on environmental issues and their impact on small business.

He noted that the wealth of information coming from the Department of Trade and Industry, the Department of the Environment and the European Commission often does not impinge on small businesses, which generally hold a negative view of environmental directives and legislation.

The difficulty was in translating the available information and conveying it in a meaningful, useful way. The way forward came in the form of an article on a Dutch Waste Exchange, printed in the *Financial Times* in March 1991.

Inspired by the Dutch experience in recovering and recycling waste material, Cooper was encouraged to develop his ideas - combining his interests

in technology and the environment.

The exchange also offers a news service encompassing environmental events, legislation and details of green products and services. Green Base is easy to access and unlike some on-line systems does not involve lengthy and costly "distractions" - the subscriber can quickly and easily find the relevant section and information.

Everything is signposted and clearly labelled - the nine industrial waste classifications are those used by the EC and there is a "help" service and back-up. Updated twice weekly, the exchange's news system is just that - full of news on upcoming events, latest environmental developments and "how to" advice on implementing governmental and EC directives.

The software has recently been developed to incorporate listings from environmental yearbooks as well as information on joint ventures, energy, fuels and recycling groups.

The exchange has held a series of meetings with the Department of Trade and Industry and the Department of the Environment to discuss promoting the exchange to a wider audience.

According to Cooper, the departments have been willing to help on promotion and co-ordination.

As a result, contacts have been expanded to include the Warren Springs Research Laboratory and the British Museum, which both receive a surprisingly high number of callers requesting information on environmental issues. This is largely the result of a lack of policy co-ordination on environmental issues in many companies, small and large, a situation the DTI is anxious to rectify.

Subscription rates to the exchange start from £80 a year for a non-business single subscription, rising to £320 for trade and professional associations. Monthly rates are also available. There are no other charges for being on-line or accessing and downloading information from the exchange and the only extra cost is British Telecom's connection charges.

TIMBER TRADE & FOREST MANAGEMENT

Brussels 18 & 19 March 1993

This seminar will examine the challenges faced by the timber trade and industry in responding to environmental pressures and market demands for timber from 'sustainably managed forests'. Speakers include:

Prof. David Bellamy
Conservation Foundation

Dr Laurens Brinkhorst *
EC Commission

Mr Charles de Haes
WWF International

Mr Mohammed Lawal Garba *
African Timber Organisation

Dato' Baharuddin HJ Ghazali *
Malaysian Timber Industry Board

Mr Edmond H. Wellenstein
Dutch Ministry of Economic Affairs

Dr Michel Gisiger
Société Générale de Surveillance sa

Mr Jacques Rougier
Groupe Rougier sa

Dr Hinrich Stoll
Feldmeyer GmbH & co

Mr Richard Burbidge
Richard Burbidge Ltd

Mr Hemmo Muntingh
European Parliament

Ambassador Nicolas Imboden
Swiss Government

Mr Morten Bjorner
'Union pour le Commerce des Bois Tropicaux dans la CEE'

* subject to confirmation

A Seminar organised by
the Scottish Hardwood Charter
with The Conservation Foundation, London
M&N Norman Timber, Scotland
Environmental Strategies Europe, Brussels
and The Financial Times

SHC Seminar on Timber Trade and Forest Management

Ask for seminar details from:

The Conservation Foundation
1 Kensington Gore
London SW7 2AR

Tel: +44(0)71-823 8842

Fax: +44(0)71-823 8791

Name _____
Position _____ Dept _____
Company/Organisation _____
Address _____

Tel: _____ Fax: _____

Or attach your business card

PEOPLE

Maurice Warren to chair SWEB

Maurice Warren, who retires as chief executive of Dalgety next June at the age of 60, has begun to look around for two or three non-executive directorships; the first he has accepted is as deputy chairman and chairman-designate of South Western Electricity (SWEB).

At the time of their privatisation, the regional electricity companies tended to have an executive who combined the role of chairman and chief executive with a managing director one rung below that. SWEB is now the third company to split the roles, and to appoint a part-time chairman from outside the group - conforming with current corporate fashion.

Hence, in the first of the changes, John Seed, formerly managing director, was made chief executive before Christ-



mas, while Bill Nicol remains chairman until the agm in August when Warren will take over. "We like the company anyway, but we like it a bit more now," was the comment of one analyst who reckoned that Nicol had not come across particularly well in the City. Nicol says SWEB, which

engaged a firm of headhunters to make the appointment, was looking for someone who came from the West Country - Warren hails from Somerset and definitely has the accent to prove it - as well as someone who had successfully led a major company through change. "We are all outstanding engineers but we need another perspective," says Nicol.

In his four years at the top of Dalgety, Warren is credited with masterminding a fundamental restructuring of the group, which he says meant he had to keep his head down, leaving no time for any non-executive directorships. Now he already has one or two other irons in the fire for his retirement, though he plans to spend two days a week with SWEB.

■ Stephen Robinson, who joined JOHN MENZIES recently as head of the retail division, has now been appointed to the main board.

■ Martin Thomas has been promoted to group treasurer of BICC Cables.

■ Fred Heaton, formerly md of Hydra-Tight, and John Crabtree, formerly deputy md of T&N Technology, have been promoted to new business director and technical controller, respectively, of the industrial products and

materials group of T&N.

■ Jim Bell, chief executive of Bonar Inc, and Peter Bartlett, md of LOW & BONAR's specialist materials group, have been appointed to the main board.

■ Rod Varley, formerly operations director with Amoco Fabrics (UK), has been appointed manufacturing director of WAIN INDUSTRIAL PRODUCTS.

■ Michael Hewitt has been appointed vice-chairman of SHANKS & MCEWAN.

■ Pierre Marie Valentin, formerly chairman and chief executive of Technip, has been appointed president of Carrier European and Transcontinental Operations, part of UNITED TECHNOLOGIES.

■ Gerald Bell, group operations director, has been appointed joint md with Martin Marcus of QUEENS MOAT HOUSES.

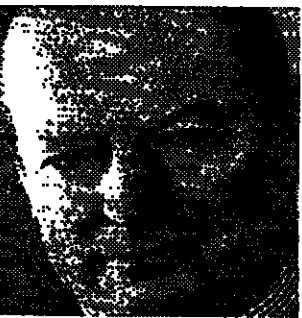
■ Kevin Doyle, president and ceo of Wassall USA, has been appointed to the main board.

Barkshire follows property interests

John Barkshire (right), the former chairman of Mercantile House who has hardly been heard of in the City since his 1980s-style financial services conglomerate was sold to the now collapsed British & Commonwealth in 1987, is joining the board of TR Property Investment Trust (TRPIT) as a non-executive director.

Also on the board of Sun Life, Savills and the Household Mortgage Corporation, Barkshire, 58, says it is the "remarkable cross-section" of financial and property interests, the two areas to which he has largely devoted his career, that attracts him on to the board of the trust, which has total assets of just £105m.

But Barkshire is a catch for TRPIT; for one thing, "John's knowledge of how government departments are thinking is very valuable to us", according to director Peter Duffy. Bark-



shire learnt the ropes in Whitehall not least as chairman of the Barkshire committee, which has tried to interest the government in single property ownership trusts, but has so far fallen at the tax hurdle.

Three non-executive directors had retired in the last two and a half years from TRPIT, but Duffy says he had been in no hurry to replace them, the search being partly interrupted by TRPIT's hostile, and ulti-

mately successful, bid for New England Properties.

Barkshire, one of the prime movers behind the establishment of Life and halted at the time of the Mercantile House sale as a great strategic thinker who would re-emerge to do yet greater things, now wants "even to try" to become chief executive or full-time chairman of another big company.

What he thinks the City really needs is a "strategic look at its future, reporting back straight to the governor of the Bank of England and the Chancellor. If London does not take the threat seriously," he goes on, "it is in real danger of finding business ebbing away to other financial centres." He says, not entirely convincingly, that he thinks he is not the right person to embark on such a project.

Sweet talking for bankers

At a time when the reputation of British banks has sunk about as low as it can, the British Bankers' Association has hired the services of American Catherine Sweet for the newly created post of director, communications and external affairs.

The appointment is part of the response to a survey commissioned from Professor Ian Morrison of Loughborough University by the BBA which last June concluded that the banks were poor at lobbying, could no longer expect the Bank of England always to spring to their defence, and consequently needed a hard-hitting trade association to weigh in on their behalf.

Pauline Hedges, BBA's press and information manager, stays in charge of press relations - "a full-time job" she stresses - but 38-year-old Sweet will pull together external relations, for instance improving the association's lobbying performance. At Westminster, the BBA's record has been one of "winning many battles but losing several wars", Morrison commented at the time.

Sweet, who will no doubt find plenty of new material for the satirical poems on the City that she has been known to pen, has some schooling in crisis management having been deputy head of public affairs at the London Stock Exchange during Big Bang, where she also worked on the Financial Services Act. Sir Nicholas Goodison, chairman of TSB Group and president of the BBA since last year, says it is "happy coincidence rather than anything else" that Sweet has worked for him before when he was chairman of the Stock Exchange.

In 1988 Sweet moved to Charterhouse merchant bank followed by a stint at Bursan-Marsteller. She had turned freelance last November.

Credited with being bright, aggressive and not afraid to make enemies, Sweet completed a D Phil in international relations from Oxford, while she was at the Stock Exchange. ■ Katrina Farrell-Gisse, previously director of corporate communications at Lafarge in North America, has joined the European Bank for Reconstruction and Development as chief public affairs officer. She replaces James Rosenstein who resigned last August.

مكتبة الأمل

Television/Colin Amery

Let enthusiasts do their own thing

When the Virgin Mary appeared in Medjugorje, in what was Yugoslavia, in 1981, she was in tears. She said that she had come to pray for peace and reconciliation in the world, and one of her repeated messages to the innocent children who could see her was "please stop watching television." Of course, I learned this important fact from a programme about the Marian phenomenon which I watched on television.

I always think of the Virgin Mary as being a bit like Mother Teresa, a practical woman, and her point here was that there are a lot of more useful things to be done in this world than watching television. I expect she was thinking of those statistics that regularly tell us that the average person spends some 36 hours a week watching and listening to the broadcasting media in the UK. I was pleased to be asked to stand in for a week for Chris Dunkley, but I was not quite prepared for the way television eats up time.

Television viewing is not something that you can easily plan: life seems to come first. For this column I decided to watch television in the way I normally do, often late at night, after a full day, searching for a little relaxing balm. In fact I ended the week sitting there as though I was determined single handedly to break the national statistics. I even steeled myself to watch the smiling faces of the breakfast programmes. You have to hand it to the presenters of ITV's new "daybreak magazine" GMTV - they do try to be relentlessly cheerful as they snuggle together on a pink sofa in front of a blazing gas log fire and beam at you. In a week when everything seemed to be falling, from the British monarchy to bombs on Iraq, these presenters were determined to persuade us that the world could still be bright and beautiful and as polished and perfect as a room in a glossy magazine. The do not try to tax us: each item is so short that you do not have to think about anything in depth. Saddam Hussein, John Major, Mr Clinton with his saxophone all become part of the merry show - they flicker and move on. The keep fit spot made me laugh with someone called Linda Lusardi lying on the floor with the Duchess of York's personal trainer - a very solemn American who told her to move her muscles "bio-mechanically correctly".

Despite this early morning punishment I survived to enjoy several programmes and to ignore a great many more. Television is often too slow and repetitive - too many rolling titles and theme tunes and too much endless newscast. An atmosphere of permanent inquisition pervades too many of the news programmes. That must be why I like Jeremy Paxman on BBC 2's *Newsnight* - at least you feel he does not

take any politician too seriously. I am waiting for him to stop smirking and burst out laughing one of these days. I just wish he'd buy some better ties.

He had his own show last Sunday called *Did you see?* on BBC 2, when he succinctly put all the nonsensical news sex education programmes into perspective by saying that they were about as exciting as "dancing the lambada with the Archbishop of Canterbury". There is a particularly awful one on BBC 1, *What shall we tell the children?* I began to think the Virgin Mary was right.

Children would have learned more about life and love from the best thing I watched in the entire week, which was the launch programme for the new *Screen Two* on BBC 2. This was a television drama written by Martin Sherman based on "The Summerhouse Trilogy" novels by Alice Thomas Ellis. I never quite understood the title *Clothes in the Wardrobe*, but it was the story of a young girl being pushed into an unsuitable marriage by her thoughtless mother and being rescued at the last minute in an outrageous and very funny way by a life enhancing visitor to the London suburb where the story is set - one Lily, played to the hilt by a magnificent Jeanne Moreau. The cast

included Joan Plowright as the elderly mother of the doomed bridegroom and Julie Walters as the bride's mother. It was these three stars playing disillusioned (especially with men) and life weary women in Croydon in the 1960s that made the film so memorable. Jeanne Moreau longing to be farouche in the suburbs must have brought real *jolie de vivre* into every sitting room in the kingdom - she was magnificent and completely overshadowed everything else on television that week.

I could not bear a new programme called *The Sexual Imperative* on Channel 4, which spies on animals during their most private moments. This new sort of voyeurism, apparently masquerading as a serious science programme about mating habits, seemed to be to be completely bogus. Animals should be left alone to be animals.

It is not necessary for television to trivialise. I felt that it was at its most successful when it lets enthusiasts, even eccentric ones, convey their passions on the screen. There are two new series that both do this, *Dancing* and *The Name of the Room*, both on BBC 2. The first programmes look promising.

I expected to enjoy *The Name of the Room* more than I did, as it deals with

architectural matters and the history of the way we use the rooms in our houses. Dan Cruickshank introduced the first one about the bedroom and discussed in detail the changing history of our ideas of privacy. He was good, as was one of the participants, the excellent, re-discovered Professor Lawrence Stone, who tried nobly to explore "concepts of separation." The enemy of this series and I felt the same in the second episode when Gillian Darley struggled to explain the long history of the kitchen, is the director David Turnbull who cannot resist tricky angles, predictable music, old film clips and old advertisements that overwhelm any hope of a clear exposition of an historical thesis. Documentary television programmes often do this. Why do directors not realise that the simpler the programme the more effective it is? From limited experience, I know that making a programme is often a battle with a director who knows little about a subject and does not realise the limitations of the camera. Tricks on television become tiresome. Clearly last, and helps documentaries to spread enlightenment - which is surely their point.

Dancing managed to use the speedy possibilities of the camera to bring out both the humanity and skill of the dancing participants from all over the world. It was moving to see the late Sir Kenneth MacMillan with the new young dancers of the Royal Ballet; you felt that although he had died much too suddenly and much too young, he had passed on the flame. The lovely Indian dancer, Malavika Sarukkai, who danced with her eyes as well as her body, explained the origins of Indian classical dancing in a way that made it all so sound completely simple and logical while being completely different from the Western tradition. There was a memorable scene of an Indian wedding procession dancing happily along the Edwardian back streets of Birmingham; any incongruity was banished by the relaxed joy of the participants. This new series promises to be both thoughtful and vibrant.

Programmes like *Dancing* are an antidote to the very high level of gloom, gore and ghostliness that makes up so much of television's weekly output. I was depressed more than a little by the appetite for tragedy of the programme makers as well as the doom laden air of every newscast. Take the terrifying *Casualty* series on BBC 1. It makes life at a National Health Hospital look more fearful and daily closer to death than any of the Jacobean revenge tragedies.

The prevailing tendency to portray grief and misery in large doses as part of the daily diet was almost too much for this soft hearted novice TV reviewer. I felt, at the end of the week, that I was at one with Jeanne Moreau's memorable view: "Life is too bloody awful without being unhappy."



Ennio Marchetto as the Mona Lisa, singing 'She's Got It'

Theatre Ennio Marchetto

Audiences love clowns, and the Lyric Hammersmith audience loves Ennio Marchetto - with reason. He jokes, he juggles, he lampoons, and his show's second half is something quite original: a long string of impersonations achieved not with full costumes but with 2-D paper cartoon cut-outs that enable rapid changes.

Marchetto himself is a thick-set barrel-chested Italian, and in the first half that is what he plays, straight. He is butch and fun and a bit bizarre. In his first sketch, he is a flamenco guitarist while also juggling pingpong balls in and out of his mouth. Next, he juggles fruit - but with audience participation. He throws oranges at audience members, so accurately that he is on aim even to a man in the upper gallery. He considers throwing eggs at us too, but builds to a climax by juggling three oranges, a melon and the egg, spectacularly breaking it dead on cue. Finally, he juggles flaming torches; here the best joke is that an already half-petrified audience half-expects him to

hurl some flaming torches out into the house too. Part Two operates on the same low-tech-but-developed and what-will-happen-next principles. Marchetto has the audience agog to know what point he is going to make with each character cut-out, and which character will come next. I like it best when he is deliberately incongruous - for example, as the Mona Lisa, in her framed portrait and awfully bored, singing "She's Got It." He is dull as the Queen - he doesn't know how to project that deadpan downliness - but, with a couple of quick costume fixes before our eyes, he becomes another Queen: Freddie Mercury.

The success of Part Two depends almost entirely, however, on two kinds of cleverness: the way he can quickly

adjust one character to become another and make a point (Queen-into-Queen, James-Bond-into-Shirley-Bassey, the-Supremes-into-Diana-Ross-into-Michael-Jackson), and the cartoon effectiveness of his cut-out costumes. Sometimes all there is left to watch is Marchetti the mime, and this is harder to bear. He shows such a penchant for drag that you no longer know who he is.

The few Part Two personae which are not female tend to be flamboyant - Jackson, Mercury, Presley, Pavarotti. And his women are all performed according to the eye-rolling, vermilion-lipped school of female impersonation. (Thank God for his Piaf - very, very short, stumpy-legged, and getting shorter all the time.) For his encore, he does Carmen - miming Callas's account of the Habanera but stuck in a groove on the high note: by which time he's gone way over the top. Here, and too often when in drag, Marchetti's not clowning but drowning.

Alastair Macaulay



'The Clothes in the Wardrobe': best programme of the week

The director who is always in the firing line

'You're never safe in a movie. That's its great power' Brian DePalma tells Nigel Andrews

This man has faced more cultural firing squads than any other living Western film-maker. Back in the 1970s Brian DePalma was stood against a wall for using excessive violence in films like *Carrie* and *The Fury*. In the 1980s he was fired on by feminists for abusing/mutilating women (*Dressed To Kill*, *Body Double*). And throughout his career he has been accused of plagiarising directors from Hitchcock (*Obsession*) to Eisenstein (*The Untouchables*).

Even when DePalma reached the seeming haven of a big-budget film of a bestselling modern classic, *The Bonfire Of The Vanities*, things went wrong. Former fans turned sudden foes, aghast to see their favourite kinetic thriller director, the man who brought the avant-garde to Hollywood, floundering through a mainstream movie misanthrope and misconceived. DePalma retired in dismay.

But here he is again, unbowed and not visibly bloody. His new thriller, *Raising Cain*, is the DePalma mixture of old: which means no one else in the world could have made it. The camera performs *troupe* of self-mythology: dream sequences are seamlessly sewn into waking ones; and DePalma himself wrote the tale of a child psychologist (John Lithgow) trying to induce as well as study formative traumas.

"I had the idea from a psychologist who's married to a friend of mine. They had a daughter and when she was born he quit his practice and stayed home to observe her and write a book. I'm fascinated by these shrink who sit around while people tell them what happened to them as kids. So my hero thinks, Gee wouldn't it be great if I could go back in time and drop that scalding pan of water on that child to see if it did turn him into the neurotic he thinks he is."

There are no scalding pans in *Raising Cain*, but little else is left out. Drownings, stabblings, smotherings... But DePalma insists that violence is part of the form.

"Ninety-nine per cent of film doesn't deal with cinema as form at all, it just photographs people talking to each other. Or driving up to buildings or walking down a street. So when you do explore the tricks and techniques, it so stirs people's eyes that they think it's a distraction. They think it's getting in the way of the characters and story. But to my way of thinking, it is the characters and story."

"I deal with movement inside a frame and violence is a very exciting aspect of that. It's like a crescendo in music, it disturbs people and makes them jump. Do composers get these questions about excessive violence?"

"No, but blood on the ceiling, I suggest, is different from semi-breves on a music sheet. Are not audiences legitimately shocked by the sight of, say, a girl having her head incised by a drill bit (*Body Double*) or a woman being bloodily stabbed to death in a lift (*Dressed To Kill*)?"

"We could have long discussions about political art," says DePalma, sensing the agenda moving towards feminism. Still bruised by the critics who K.O'd *Body Double* because of one arguably misogynistic scene of violence, he insists they were blinkered by dogma: something an artist should never be. "As soon as a film-maker feels under an obligation to some 'ism', he's surrendered his freedom. No art has a shorter life than political art."

But I point out that what dismayed many of the director's fans about his most

villified film - *The Bonfire Of The Vanities* - was that it did exactly what he condemns. In strewn Tom Wolfe's story with ethnic fairness and (relative) political correctness - like changing the cranky Jewish judge to the saintly black judge (Morgan Freeman) - he kowtowed to the liberal lobby and emasculated the book's ferocity.

"I wouldn't say we kowtowed. I originally wanted Alan Arkin or Walter Matthau as the judge. But there were so many negative Jewish stereotypes in Wolfe's story already. When the budget of a movie is \$40-50m you start to worry you're going to antagonise everyone and no one's going to come and see it."

"Exactly. So I should have gritted my teeth and made it the way I wanted: which was vicious and ferocious and funny, like one of my own favourite films *The Sweet Smell Of Success*. But the studio would never have agreed to do that."

The trouble with interviewing directors used to dawn executions is that one ends

up behaving like a firing squad oneself. Yet DePalma's career as a whole requires no apology. In turning the movie thriller into an authentic branch of abstract expressionism DePalma goes further than any other commercial director in treating a movie as a thing to be shaped as lovingly as a painting. For *Raising Cain* he used an architectural computer programme to map the mise-en-scene inside buildings. And almost uniquely - Hitchcock is the only other notable example - he storyboarded whole films.

"The whole problem with most movies is, they don't fit together as an aesthetic whole. You can't work out a film on paper in verbal description, you have to work it out visually. There's a big white canvas put there. Unfortunately today it's all done ass-backwards. People write scripts to sell to studios, then they think they've solved all their aesthetic problems."

"Television has become a major influence in this. We have a generation brought up on TV who perceive everything through the ear. TV is basically just

radio with pictures. It's programmed so you can stand in another room making tea and still follow the show."

Standing in another room making tea may seem to some the best way to view DePalma's films. If so, they miss out on modern cinema's most gleefully heretical body of work: one that turns seeming voices to gleaming virtues and that has a ready answer even to that most dog-eared charge, Hitchcockophobia.

"I've taken very specific story ideas from Hitchcock. Usually from *Vertigo* and *Psycho*, which touch me directly because they're about the things I'm interested in: doubles, split personalities, romantic obsessions. But I don't just quote. In *Raising Cain* I make one direct allusion to the scene of the car sinking into the pond in *Psycho*. But that's because I'm pulling a trick. The car with the drowning woman inside doesn't do what you've been set up to expect. The basic tool of movies is deception and deception is the stuff of dream. Dreams are at home in the cinema because it's the only art that makes them seem real. Literature can't, painting can't. But in a movie when you dream you think it's real. And when you wake up and think it's over maybe it's still a dream or a nightmare. You're never safe in a movie. That's its great beauty and power."

INTERNATIONAL ARTS GUIDE

BARCELONA

Mercat de les Flors Danat Dansa in a dance creation by Sabine Dahrendorf and Alfonso Ordóñez. Co-production with Expo 92, daily from tomorrow till Sun. Next Tues: Parveen Sultana in an evening of Indian song (426 1875) **Palau de la Música** Stanislaw Skrowaczewski conducts **Barcelona City Orchestra** in works by Barber, Szymanowski and Schumann on Fri and Sat evening and Sun morning (268 1000) **Liceu** Michael Hampe's Pesaro production of *La gazza ladra* opens on Mon for six performances. Paolo Olmi conducts. Jan 30: Dmitri Hvorostovsky song recital (412 3532) Information and booking for cultural events available through *Caixa de Catalunya* from 08.00 to 14.00 (310 1212)

COLOGNE CONCERTS

Tonight in the Philharmonie, Tatiana Grindenko directs Moscow Chamber Academy in works by Telemann, Bilber and Vivaldi. Tomorrow: Scottish Folk Festival. Fri: Michel Plasson conducts Rhineland-Pfalz State Philharmonic in works by Debussy, Schumann and Musorgsky. Sat: Bernhard Klee conducts Hannover Radio Philharmonic Orchestra in works by Wagner, Mozart and Haydn, with piano soloist Olli Mustonen. Sun: Peter Gülke conducts Wuppertal Symphony Orchestra in Allan Pettersson's Seventh Symphony. Jan 27, 30: Christa Ludwig sings Mahler. Jan 31: Alfred Brendel (2801)

OPERA Tonight's performance in the Opernhaus is *Pirates of Penzance*, with piano accompaniment. Fri: Die Fledermaus. Sat (also next Tues): new TanzForum triple bill choreographed by Jochen Ulrich (281 8400) **THEATRE** A new production of Musik, Frank Wedekind's 1906 parody of social hypocrisy and its effect on the individual, opens on Fri at the Kammerspiele. Heiner Müller's theatre piece *A Shakespeare Commentary* opens at the Schauspielhaus on Jan 30, directed by Gunter Krämer. The repertoire also includes plays by Hebbel, Jakob Lenz, Jean Genet and Strindberg (221 8400)

FRANKFURT CONCERTS

Tonight at Alte Oper: Best of

Broadway. Tomorrow: Martha Argerich is piano soloist with Württemberg Chamber Orchestra. Fri: Hot Jazz Meeting '93 with Jazz Giants USA, Dirty Dozen Brass Band and others. Sun: Michel Plasson conducts Rhineland-Pfalz State Philharmonic in works by Debussy, Schumann and Musorgsky. Mon: Harlem Gospel Singers. Tues: Montserrat Caballé song recital (1340 400). Fri and Sat at Jahrhunderthalle: Hoechst Dixieland evening with Dresden Semper House Band and Gunther Emmerlich (3601 240) **THEATRE** The Schauspielhaus repertoire includes Undiscovered Country, Shakespeare's Merchant of Venice and Sophocles' *Antigone* (2123 7444). English Theatre Kaiserstrasse has *Sandy Wilson's* musical *The Boyfriend*, daily except Fri and Mon (2423 1820)

GOTHENBURG Konserthuset 19.30 Yakov Kreizberg conducts Gothenburg Symphony Orchestra in works by Blomdahl, Grieg and Shostakovich, repeated tomorrow and Fri. Next Thurs and Fri: Kent Nagano conducts Mahler's Third Symphony, with Anne Sofie von Otter (167000)

HAMBURG

Tonight's performance at the Staatsoper is Bernstein's musical *On The Town* (also Sat and next

Thurs, Fri, Sat). Tomorrow and next Wed: Das Rheingold. Fri: choreographies by Mats Ek and Lar Lubovitch. Sun: Die Walküre (351721). Sun at Musikhalle: Hamburg Symphony Orchestra plays works by Tchaikovsky and Berlioz. Next Tues: Martha Argerich plays concertos with the Württemberg Chamber Orchestra (354414)

LEIPZIG

Gewandhaus Tomorrow and Fri: Marek Janowski conducts Gewandhaus Orchestra in works by Mozart, Mendelssohn, Dutilleul and Debussy, with Pekine Sisters. Sat afternoon (in Thomaskirche): Thomanerchor and Gewandhaus Orchestra in Bach cantatas. Sun: Peter Roessel piano recital. Tues: Gilbert Varga conducts Stuttgart Chamber Orchestra in works by Pergolesi, Britten, Dvořák and Stravinsky, with soprano soloist Susan Roberts (7132 280)

MUNICH

OPERA Tonight, Sat and next Tues in Prinzregententheater, Roberto Paternostro conducts opera concert. In which soloists of the Bavarian State Opera sing arias by Tchaikovsky and Smetana (231316). A new production of Ariadne auf Naxos opens at Gärtnerplatztheater on Sat. The repertoire also includes Khovanshchina and Entführung (201 6767) **CONCERTS** Tomorrow and Fri at Gastelg,

Colin Davis conducts Bavarian Radio Symphony Orchestra in works by Stravinsky and Brahms, with piano soloist Gerhard Oppitz. The Gastelg programme also includes Munich Philharmonic concerts conducted by Sergiu Celibidache on Sat and Mon (4809 8614). At Herkulessaal der Residenz, Nash Ensemble plays chamber music by Haydn, Mozart and Elgar on Fri. Heidrun Holtmann gives a piano recital on Sun and Guarnieri Quartet plays works by Brahms, Mozart and Beethoven on Mon (299901). Luciano Pavarotti sings in Verdi's Requiem on Sat at Olympiahalle (9264 3227)

NEW YORK

THEATRE ● Anna Christie: Liam Neeson and Natasha Richardson head the cast in a revival of Eugene O'Neill's play, directed by David Leveaux (Criterion Center, Broadway at 45th St, 889 8400) ● The Last Yankee: Arthur Miller's new play (Manhattan Theatre Club at City Center, 131 West 55th St, 551 1212) ● Forbidden Broadway 1993: new edition of the long-running revue which spoofs Broadway's major shows (Theatre East, 211 East 60th St, 838 9090) ● Remembrance: set in Belfast, Graham Reid's absorbing play tells the story of a man and a woman - he a Protestant, she a Catholic, both widowed and in their sixties - who slowly fall in love (John Houseman, 450 West 42nd St, 967 9077)

● Oleanna: David Mamet takes on political correctness, sexual harassment and a number of other isms in this brief, powerful drama that stirs up ideologies (Orpheum, 126 Second Avenue at 8th St, 307 4100) ● The Sisters Rosensweig: Wendy Wasserstein's new play, a comedy with serious undertones, about the reunion in London of three American Jewish sisters. (Mitzl E Newhouse, Lincoln Center, 239 6200)

STRASBOURG

Václav Neumann conducts Strasbourg Philharmonic Orchestra tonight and tomorrow at Palais de la Musique, with a programme including symphonies by Martinu and Beethoven (8837 6777). Next production at Théâtre Municipal: L'elisir d'amore, opening Feb 3 (8875 4823)

UTRECHT

Vredenburg 20.15 Ronald Brautigam piano recital. Tomorrow: Libor Pesek conducts Rotterdam Philharmonic Orchestra in Smetana's *Ma Vlast*. Fri: Minsk Philharmonic Orchestra in all-Tchaikovsky programme. Sat: Hans Vonk conducts Netherlands Radio Philharmonic Orchestra in works by Debussy, Ravel and Stravinsky. Sun: Ton Koopman directs Amsterdam Baroque Orchestra in Bach's Brandenburg Concertos (314544)

European Cable and Satellite Business TV

(all times CET)

MONDAY TO FRIDAY

CNN 0900-2330, 2300-2330 World Business Today - a joint FT/CNN production with Grant Perry and Colin Chapman
Super Channel 0700-0710, 1230-1240, 2330-2340 FT Business Daily
0710-0730, 1240-1300 (Mon, Thurs) FT Business Weekly - global business report with James Bellin
0710-0730, 1240-1300 (Wed) FT Media Europe
0710-0730, 1240-1300 (Fri) FT Eastern Europe Report
2240-2248 FT Report
Sky News 2100-2105, 2230-2300 FT Business Weekly

SATURDAY

CNN 0900-0930, 1900-1930 World Business This Week - a joint FT/CNN production
Super Channel 0630-0900 FT Business Weekly
Sky News 1130-1200, 1730-1800 FT Media Europe

SUNDAY

CNN 1030-1100, 1900-1930 World Business This Week
Super Channel 1900-1930 FT Business Weekly
Sky News 0130-0200, 0530-0600 FT Media Europe
1230-1400, 2030-2100 FT Business Weekly

Edward Mortimer



Friends and allies should not complain about the new US president's wish to give America's domestic problems priority. If those problems are not dealt with, it will soon be vain to hope for continued US leadership in the wider world.

But US leadership remains indispensable, even after the cold war. That was demonstrated both positively and negatively in 1991. Without US leadership, the Gulf war would never have been fought. Kuwait would be still in Saddam Hussein's clutches, and he would by now have a nuclear weapon. And without US leadership, Europe was unable to prevent genocide in the former Yugoslavia, where the US decided it had no strategic interest.

Mr Bill Clinton takes office in the midst of renewed hostilities against Iraq, and at the moment when a Munich-like capitulation is being imposed on Bosnia-Herzegovina. Both crises call for new thinking and bold measures. Continuity and containment will not suffice.

Last week the then president-elect told The New York Times that, if Mr Saddam wanted a new relationship with the US, "all he has to do is change his behaviour" to comply with UN requirements. Later he explained this did not mean there was any difference between his policy and that of his predecessor, or that he would normalise relations as long as Mr Saddam was in power. It meant only that Mr Saddam could avoid being bombed if he did not violate the UN ceasefire accords.

Normal relations between the US and Mr Saddam's government are indeed scarcely imaginable, after all that has happened. The danger is that Iraq may simply be left to stew, simultaneously terrorised by Mr Saddam's vicious repressive apparatus and starved by economic sanctions. It is not to be supposed that Mr Saddam would content himself with such malign neglect. He would go on pursuing his objectives in the south with "indiscriminate bombardments and destruction of local marsh villages and hamlets, resulting in innumerable arrests and deaths", as the UN's special

Need for a US lead

Clinton cannot escape the Iraqi and Bosnian crises

rapporteur for human rights in Iraq reported to the General Assembly two months ago. Mr Saddam would go on intimidating the Kurds in the north with terrorism, blockade and sabotage, while playing on the fears of neighbouring states that the west's real aim is to partition Iraq and set up an independent Kurdish state. He would go on taunting and provoking the US with new ceasefire violations, so as to win sympathy from other Moslems and Arab nationalists when the inevitable retaliation arrived; and would alternate this with carefully timed pledges of good behaviour, in

If seen to succeed, Milosevic will serve as a model to even more dangerous fascists

return for the lifting of sanctions and restoration of his control over the whole country.

Mr Clinton must not be a sitting target for those tactics. He must expose Saddam's phony David-and-Goliath act by exposing him as the real Goliath. That means indicting him and his leading henchmen for crimes against humanity; transferring Iraq's property abroad to his democratic opponents in the Iraqi National Congress; abandoning the UN-Iraq agreement which makes relief for Saddam's victims dependent on his government's goodwill; ordering and enforcing the withdrawal, not only of anti-aircraft missiles but of any and all forces that attack Iraqi civilians or prevent supplies from reaching them - starting with the 450 troops at Fald, well north of the 36th parallel,

which have been blocking the main supply route from Turkey to Iraqi Kurdistan.

The need for a tough line in Iraq is one of many reasons why Mr Clinton also needs to take a tougher line in Bosnia, thus refuting the absurd notion that Saddam is a victim of anti-Moslem prejudice.

No one should imagine that the Serbian president or the Bosnian Serb leadership will be bound by last week's Geneva agreement. Slobodan Milosevic is imposing this agreement on the Bosnian Serbs as he imposed the Vance Plan on the Croatian Serbs a year ago: as a way of consolidating territorial gains and winning a breathing space from international pressure. They will neither hand over weapons nor withdraw from territory, unless forced to do so.

The Bosnian government, like the Czechs in 1938, is willing to fight. It faces a fascist enemy that has been destroying villages, raping women en masse, torturing prisoners and systematically murdering the Moslem elite. But, like the Czechs in 1938, it cannot resist the concerted pressure of western powers. They recognised its independence, but refused to let it buy weapons, thereby delivering it into the hands of its heavily armed enemies. The west will pay dearly for this organised surrender to fascism, as it did in the 1930s. Mr Milosevic may not be a Hitler but he is a Mussolini, who if seen to succeed will serve as a model to even more dangerous fascists, most obviously in Russia.

The Bush administration has used European reluctance as its excuse for a non-interventionist policy. Britain and France, but especially Britain, have used the exposure of their troops in a supposedly neutral humanitarian role, as an excuse for refusing to take sides. Mr Clinton should either put US troops alongside the Europeans and demand a change in the rules of engagement, so that they can fight their way through to those in need of relief; or he should insist that the UN force be withdrawn. The Bosnian government forces could then be properly armed and given allied air cover, to help them recover areas from which their people have been expelled.

Bosnians and Iraqis alike could fight their own battles. If the west would give up its false neutrality between them and their butchers.

It is not considered polite to say so, but the African National Congress and the ruling National Party have decided that South Africa is not ready for democracy.

Today, officials from the two sides will meet to discuss just what political system will suit the new South Africa as it matures towards democracy. But they have already resolved that power should be shared between black and white for the foreseeable future, even after eventual multi-racial elections. It is a solution which may promise political stability - but can scarcely be described as democratic.

Over time, the new government may succeed in building democracy by instalments. But in the near term, South Africans will have to content themselves with rule by a coalition of convenience between the ANC and the government - and perhaps some of their opponents - by a multi-racial oligarchy, more or less authoritarian.

Such a solution was probably inevitable for a nation which made ethnic division its *raison d'être* for 350 years. No less an authority than the American founding father James Madison recognised the problem of plural societies 200 years ago. In The Federalist Papers, he wrote: "It is of great importance... not to guard the society against the oppression of its rulers, but to guard one part of the society against the injustice of the other part."

Now the ANC has accepted that principle and agreed to power-sharing, not just in a short-lived interim government, but for an indefinite period under the first permanent multi-racial constitution. The next few months will tell whether the ANC intends to erect just a facade of power-sharing, while retaining all important powers for itself, and whether the government still clings, unrealistically, to an effective white veto. But the principle is agreed that there will be a coalition cabinet - even if the ANC wins a dominant share of the vote, not only in elections for an interim government which could take place early next year, but also in an eventual poll held under a new constitution.

So the two sides have decided that neither can govern alone: Pretoria lacks the legitimacy, and the ANC lacks the skills. They belong together, in an arrangement which Lawrence Schlemmer, a South African political scientist, describes as government

A share of South Africa's spoils

The government and the ANC are putting stability before democracy, says Patti Waldmeir

either from "separate bedrooms", or from "separate beds" - marriage is on the cards.

In the short term, this arrangement will be good for each of the parties, and for stability - but not for democracy. For with the ANC and government snuggled in coalition together, South Africa would effectively be a one-party state: the ANC/NP - with 75 per cent or more of the vote (around 50 per cent for the ANC, 25 per cent for the Nationalists) - would drive a wedge between opposition on the left and right, leaving only splinter groups on either side.

The one wild card is the Inkatha Freedom Party, which has a strong regional base among the Zulus and whites in Natal province. Some polls put its support as high as 10 or 11 per cent nationwide. The priority, according to ANC and government officials, is to bring Inkatha into the governing coalition as a junior partner. But both have made clear that, if necessary, they will rule without Inkatha.

Chief Mangosuthu Buthelezi, the Zulu leader, may well reject this subordinate status. His reaction will do much to determine the character of the new power-sharing government. If he can be enticed to join, there would be a chance of benevolent rule by consensus. If he stays out then Mr F W de Klerk, leader of the National Party, and Mr Nelson Mandela, leader of the ANC, might have no option but to crack down on the violence which would ensue. Civil liberties, rediscovered after decades of apartheid repression, could be a casualty.

So South Africa may revert to some form of authoritarian rule, whether by the white minority or by a multi-racial majority. But both the ANC and government seem genuinely to believe that more democracy is inevitable - eventually.

Constitutional talks between the two sides are already focusing on just this issue: should



Nelson Mandela (left) and F.W. de Klerk will have to content themselves with a coalition of convenience

power-sharing be enforced or voluntary? Should regions have autonomous powers? In short, what constitutional model is both more or less democratic, and workable?

On the face of it, federalism, the devolution of power to the regions, might seem an obvious solution. As Mr R.W. Johnson, a political scientist at Oxford University, points out: "Nowhere else in the world has the democratic government of so large and various a population ever been attempted without resort to federalism." And it would have the advantage of accommodating Chief Buthelezi, who poses the gravest threat to stability.

Unfortunately for those who favour federalism - the government, the IFP, the liberal Democratic Party - the concept has been discredited by decades of apartheid, which was itself a distorted version of federalism. The guiding principle of apartheid was that each of South Africa's peoples - white, coloured, Indian, Zulu, Xhosa, Sotho, Swazi, - should

be granted the right of self-determination in their own nation state.

Given that background, it is scarcely surprising that the ANC views the government's plans for a federal South Africa as a renewed attempt to "divide and rule". In a sense, they are right. For the government sees the devolution of power to regional level as the best means of preventing domination by a black government ruling from Pretoria.

Mr Tony Leon, the Democratic Party's constitutional expert, quotes South African novelist Olive Schreiner to illustrate this point: "The walls of each [federal] state are so many barricades, each of which must be broken down before any oppressive domination can absolutely succeed."

Federalism takes pressure off a nascent democracy. If ethnic and tribal minorities feel they could never win power, they would have little time for democracy; if they can exercise power at regional level - with all the patronage which that implies - they would be less likely to revolt.

But the ANC is suspicious of this argument, for its goal is to create a non-racial South Africa where tribal divisions are subsumed by a single nationhood. To accept autonomous tribal political units in a future South Africa - many of the government's proposed federal provinces would be dominated by a single tribe - would be to abandon this goal.

The ANC does not dismiss devolution of power out of hand. Delegations have visited Germany and the US to study their federal systems, and ANC constitutional experts say they favour the German model of strong state governments. But ANC officials make clear that the goal of their regional policy is developmental, not political. They want to redistribute resources from rich regions to poor ones, and insist that central government must have the power to achieve this.

The debate will rage for months. In the end, Mr Leon believes: "Federalism represents the most likely compromise between a specific system of racial checks and balances on the one hand and the demand for majority rule on the other."

But the National Party is not content with regional devolution alone. The government favours a form of "consociational democracy", a political system which involves not only devolution of power but power-sharing among various groups at the executive level and special minorities in parliament for certain legislation. One advocate, Mr Arnd Liphart, a political scientist, argues that in a divided country such as South Africa (with 30m blacks, 5m whites, 3m coloureds and 1m Indians) consociational democracy is the only option. He points out that majority rule violates democracy by excluding losing groups from participation, and where democracy guarantees there will be permanent losers, democracy cannot survive.

Mr Ken Owen, editor of the Sunday Times, one of South Africa's largest newspapers, sums up the country's dilemma: "The idea that a minority can thwart the will of the majority... is not merely unacceptable but dangerous." But neither is majority rule the answer. "Neither majority nor minority can exercise any powers for which it fails to win general consent," he concludes. Whatever its faults, power sharing may be the only answer.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Time for Names to speak out

From Mr Nicolas Mellers.
Sir, Your story about the Mori poll into the intentions of Lloyd's Names ("Many Names ready to quit", January 16) was really rather tendentious. Given the losses that the market has experienced and the constant bad-mouthing that Lloyd's has had to put up with, what is truly remarkable in the Mori survey is the finding that 80 per cent of Names have decided to stick with it. The fact that a quarter of these have decided to increase their commitment is the clearest possible demonstration of confidence in what is undoubtedly going to be a very prosperous future.

More encouragement comes from the likely dramatic and gratifying reduction in resignations. If in fact 2,000-odd members do leave in the next two years, it will mean the number of resignations per year will be half what it was last year. Where all of us with the future of the market at heart seem to be falling is in our apparent inability to spread the word about the exciting prospects for Lloyd's to others qualified to join us. It is time for the 80 per cent with confidence in the future to speak out.

Nicolas Mellers,
47 Quarrendon Street,
London SW6 3ST

Appointments raise concern about system of government

From Prof J D Stewart.
The survey of quangos published ("Resurgence of quangos defies Thatcher's new broom", January 14) highlighted one important but little discussed development - the tendency for an increasing amount of public expenditure to be placed under the responsibility of appointed boards. One reason for the lack of discussion is that it happens step by step, or rather responsibility by responsibility. Discussion focuses on the particular changes rather than on the implications for public accountability generally.

This is well illustrated by recent discussion about the proposals for police authorities, currently being considered by the home secretary. It has been widely reported that

he is considering replacing elected councillors on police authorities by non-appointed members, or perhaps not even non-appointed members since they may already be serving on other appointed boards. Discussion has naturally focused on the implications for the policy, rather than on the implications of adding to the extent of public expenditure under the control of appointed members. If carried through it would be a significant increase in the £41bn which your article showed to be the responsibility of appointed boards. The nature of the accountability of these boards to the public is in some cases uncertain and in other cases at best indirect and they are often not subject to the degree of scrutiny and access for the public that we

insist on for local authorities. The extent of public expenditure involved and the wider issues of public accountability raised suggests the need for an examination of the role of those appointed boards - possibly by a select committee of the House of Commons. It would be unwise to extend the principle of government by appointment until there is much deeper understanding of the implications of what has already happened. The issues raised by the home secretary concern not merely the police, but the whole system of government.

J D Stewart,
Institute of Local Government Studies,
University of Birmingham,
Edgbaston,
Birmingham B15 2TT

No political bias in social justice debate

From Sir Gordon Barrie.
Sir, The Commission on Social Justice is grateful for all the advice it receives, including the admonition to "think radically" in your editorial ("Social Justice", January 18). But I must stress that the commission - although established at the initiative of the Labour party's leader, John Smith - is an independent body working under the aus-

pices of the independent Institute for Public Policy Research. Our final report will not only advise the Labour party but everyone who cares to read it.

The commission's members, who include people belonging to different political parties and to none, are determined to make the commission as open as possible to everyone who shares our concern with creat-

ing wider opportunities for all in our society.

We hope that, with your assistance, our work will stimulate a wide and well-informed public debate which will reach well beyond the membership of any political party.

Gordon Barrie,
chairman,
Commission on Social Justice,
30-32 Southampton Street,
London WC2E 8RA

Changes within electricity supply industry, not subsidies to British Coal, would resolve problems faced by coal

From Mr J D Meads.

Sir, Your leading article on the government's ideas for subsidising the coal industry ("Extra Time for British Coal", January 14) was based entirely on the mistaken premise that British Coal cannot be "saved" without substantial subsidy. This is not the case.

It is common knowledge that the price offered by British Coal to the two big generators is £1.61 a gigajoule for 1993-94, declining to £1.33 a gigajoule over the five years of the proposed contract. What is not such common knowledge is that British Coal could, next year, supply 60m tonnes to the electricity industry, at the price offered, and still make a modest profit.

According to figures I have seen the 1993-94 cash operating cost of production out of the 19 retained pits, plus the 31 pits under DTI review, plus open-cast, is expected to be £1.31 a gigajoule. Even allowing for the costs of any large capital projects (not included in the definition of cash operating costs) the output of at least some of the remaining 10 pits could be added without British Coal falling into loss.

The problem for the coal industry is not principally one of costs and prices - though we still have a little further to go before we match internationally traded coal.

The real problem is that there is insufficient room for British Coal to sell 60m tonnes

of power-station coal, because of the pre-emption of the generation market by nuclear, the French link and - especially - gas. Nuclear's slice is protected by statute; imported French electricity should be subject to the fossil-fuel levy, but isn't; and the new gas-fired stations sponsored by the regional electricity companies are protected by 15-year take-or-pay contracts for their output.

Institutional changes within the electricity supply industry are what is required, not huge subsidy to British Coal. Without institutional changes British Coal would still be faced with an artificial ceiling on the volume of coal it could sell, regardless of cost, price

and subsidy levels.

The stories which have been circulating recently, in your paper and others, suggesting that the government was considering giving British Coal a £10 a tonne subsidy, were clearly inspired by the Department of Trade and Industry. They had the twin objectives of frightening people off, and diverting attention from the real problem.

Unfortunately, you seem to have fallen for it. J D Meads,
general secretary,
British Association of Colliery Management,
BACM House,
317 Nottingham Road,
Old Basford,
Nottingham NG7 2DP

FT Lunch for a Fiver.

Two for a Tenner.

On Saturday January 9 the Financial Times announced the introduction of the "FT Lunch for a Fiver" with over 130 restaurants participating nationwide.

On weekdays from Monday January 18 until Friday January 29 inclusive, you are being offered an "FT Lunch for a Fiver" menu at participating restaurants. These will be listed daily in the Financial Times and published in full this Saturday January 23. The "FT Lunch for a Fiver" menu is for two courses (although some restaurants are offering three). Drinks, coffee and service are extra.

RESTAURANTS

L'Accento, 16 Garway Road, London W2 4NH	Tel: 071 243 2201	Snows on the Green,	
Al San Vincenzo, 30 Connaught Street, London W2 2AF	Tel: 071 262 9623	186 Shepherd's Bush Green, London W6 7PB	Tel: 071 603 2142
Brackenbury, 129-131 Brackenbury Road, London W6 0BQ	Tel: 081 748 0107	The Red Fort, 77 Dean Street, London W1	Tel: 071 437 2525
Chilton, 25 Richmond Way, London W14 0AS	Tel: 071 602 4082	Tuttons Brasserie, 11-12 Russell Street, London WC2	Tel: 071 836 4141
Daphne, 83 Bayham Street, London NW1 0AG	Tel: 071 267 7322	Veronica's, 3 Hareford Road, London W2	Tel: 071 229 5079
Del Buongustalo, 283 Putney Bridge Road, London SW15	Tel: 081 780 9361	Walton's, 121 Walton Street, London SW3 2HP	Tel: 071 584 0284
Florians, 4 Topsfield Parade, Middle Lane, London N8 8RP	Tel: 081 348 8348	Willoughby's, 26 Penton Street, London N1	Tel: 071 833 1380
Grill St Quentin, 2 Yeomans Row, London SW3	Tel: 071 581 8377	Café Rouge, 200/204 Putney Bridge Road,	
Hillaire, 68 Old Brompton Road, London SW7 3LR	Tel: 071 584 8993	London SW15 2NA	Tel: 081 788 4257
Newtons, 33 Abbeville Road, London SW4 9LA	Tel: 081 673 0877	Café Rouge, 46/48 James Street, London W1N 5HS	Tel: 071 487 4847
Osteria Antica Bologna, 23 Northcote Road, SW11 1NG	Tel: 071 878 4771	Café Rio, 205 Haverslock Hill, London NW3 4QG	Tel: 071 435 6744
Pomegranates, 94 Grosvenor Road, London SW1B 3LF	Tel: 071 828 6560	Ortel, 51 Sloane Square, London SW1 BAX	Tel: 071 730 4275
Le P'tit Normand, 185 Merton Road, London SW18 5EF	Tel: 081 877 0936	Wheeler's, Alceve, 17 Kensington High Street, London W8	Tel: 071 937 1443
Ramsome's Dock, 35 Park Gate Road, London SW11	Tel: 071 223 1611	Wheeler's, 19 Old Compton Street, London W1	Tel: 071 437 2706
Riva, 169 Church Road, London SW13 9HR	Tel: 081 748 0434		

Tomorrow's listing will include more London restaurants

We are also running a competition to enter a free prize draw in which you could win a weekend for two at Cheltenham Park, Cheltenham, Devon.

Every weekday, from 1.15-2.15pm, the Financial Times poses an "FT Lunch for a Fiver" question. Answer any 10 of the 15 questions (Close: The answer is the name of a restaurant given in that day's listing), complete an entry form which will be published every day between 2.15-2.30pm, and send them to us at the address given below. Your comments on your favourite "FT Lunch for a Fiver" menu will also be welcome.

QUESTION 8: Where Disney takes son running?

ANSWER 8:

Answer this question, together with 9 others published during the competition period, and send them, together with a completed entry form to "FT Lunch for a Fiver", Number One Southwark Bridge, London SE1 9HL, to arrive no later than Friday February 12 1993. The prize draw will be made on Monday February 15 1993. The sender of the first correct entry drawn after the closing date, from all the entries received, will be declared the winner. Full details of the competition and previous questions are available from the Marketing Department of the Financial Times at the address given above, or on Tel: 071 873 3670.

20/1

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Wednesday January 20 1993

Risks ahead in Germany

WHEN TIMES are hard in Germany, *Katastrophe* tends to be an overworked word. Yet it is now starting to seem an apt description of the plight of the German economy. The Bonn government, habitually optimistic to the point of *insouciance* on the economic outlook for united Germany, is forecasting no growth for east and west Germany in 1993.

Many German manufacturers are uncompetitive as a result of high increases in labour costs during the 1989-1991 unification boom and the recent rise in the D-Mark against other European currencies. German exporters are thus unlikely to profit more than marginally from any US-led recovery in the world economy later this year. For the first time in the post-war era, Germany this year is likely to register an unfavourable combination of an above-average inflation rate, a current account deficit, zero or negative growth and (if the "Clinton effect" persists) undue D-Mark depreciation. Deprived of growth in an economy making up more than a quarter of EC GDP, Germany's neighbours face an outlook only a little less sobering. The Brussels Commission's forecast of only 0.8 per cent expansion in EC economies this year indicates that the Community may experience a rerun of the 1981-82 recession.

Industrial destruction

Against this dispiriting background, Chancellor Helmut Kohl's government has been labouring to negotiate a "solidarity pact" with unions and employers. Mr Kohl wants to trade agreement on measures to curb the budget deficit with undertakings from trade unions to hold down wage growth in east and west. The results so far have been disappointing. In trying to reshape Germany's economy to weather a cyclical downturn in the west and a restructuring crisis in the east, Mr Kohl is climbing a mountain. He is still only halfway up the slope.

His longer-term objective is to lower the costs of reunification, rising sharply as a result of transfer eastwards of west Germany's rich economy system of wages, social benefits and regulations. This has hastened east Germany's industrial destruction, and increased the dependency of its population on subsidies.

Don't worry about IBM

"THINK!" said the signs that hung in every IBM office in the company's glory days. Those notices have long gone, but the exhortation lingers. IBM's decline offers food for thought.

Yesterday's quarterly operating loss, the first in the company's history, is disappointing news for IBM's shareholders and employees. It is not, however, a cause for more general dismay. Rather, it marks a moment of transition in the industry, when leadership passes to the companies that came of age with the microprocessor.

When IBM had four-fifths of the market for computers in the 1960s and 1970s, it shaped the way the industry developed. Now that task has fallen to Intel and Microsoft, suppliers of the chips and the software which process an increasing proportion of the world's data. Along with IBM's mantle of leadership, both have inherited the resentment of the less successful. Their new dominance has led to a chorus of grumbling and - in Microsoft's case - complaints to the US competition authorities.

From the point of view of the industry's customers, however, the shift away from an industry dominated by a single company has been beneficial. Though IBM's greatest success came in the last third of the 20th century, its roots go back a hundred years to Herman Hollerith's punched cards and the salesman's school at National Cash Register.

That inheritance gave IBM a visceral commitment to proprietary technology and a strong belief in "account control", obtained through a hugely expensive network of sales and support staff. Today's management, as it wrestles with costs, is struggling as much with the legacy of IBM's past sales techniques as with the transformation of technology.

High costs

By itself, though, the change in technology would have been enough to undermine IBM's position. The mass production of standard microprocessors and standard software - a trend which IBM itself did much to foster in the personal computer sector - has created an industry open to all comers. In such a world, the high costs of IBM's structure is a damaging competitive disadvantage.

The shorter-term objective is to convince the Bundesbank that inflation, at an underlying 4 per cent, has reached its peak. If Mr Kohl manages to stitch together a convincing package, the Bundesbank should be able to start a new round of discount and Lombard rates reductions next month. The central bank is not yet, however, persuaded that the conditions are right.

Exorbitant rises

Bundesbank caution is understandable. Wage growth in west Germany, certainly, will slow sharply likely to settle for increases of about 3 per cent. But this is a result not of the "solidarity pact" but of the recession. Mr Kohl has not yet managed to persuade unions to renegotiate exorbitant 25 per cent wage rises payable to east German engineering workers in April. The government should announce that, unless this step is rescinded, it will reconsider its recent decision to inject fresh subsidies into moribund east German industrial regions.

On the fiscal front, yesterday's federal government budgetary announcements include some welcome moves to curb tax breaks. But, while avoiding across-the-board tax increases until 1996, the measures fall a long way short of the vigorous attack on public sector spending and subsidies needed to reshape the German budget. There is little sign that the government is considering fresh privatisation measures as a means of increasing revenues. State and municipal governments have yet to show they are prepared to join in Bonn-ordained fiscal austerity.

Mr Kohl and his cabinet have so far proved incapable of bringing about the reordering of German economic priorities made necessary by reunification. For two years, the necessity has been unquestioned, including by Germany's leaders. What has been lacking is the will and authority to take action. A long recession would further diminish the room for fiscal and monetary manoeuvre. The Bonn government - and the rest of Europe - must profoundly want to avoid the economic and political dangers of a prolonged downturn. But time is fast running out.

Four years of drought have ended, but 1993 is likely to bring fresh troubles for the UK water industry. The Labour party called yesterday for savage windfall taxes on the profits of privatised utilities, which prompted a 50 per cent rise in shares in water companies last year, making water the best-performing sector in the London stock market.

This week also saw another tussle between the water industry and its regulator, Ofwat, over the basis for next year's Periodic Review, in which Ofwat will reassess the way water bills are calculated for the first time since privatisation. Ofwat has made clear its concern over rising water and sewerage bills - in two months, they will rise by an average of 10 per cent, a leap of nearly 80 per cent since privatisation three years ago.

These controversies could be inflamed further this year by a political battle over plans to sell Scottish Water. All this raises questions of whether water privatisation has been successful, and whether regulation adequately protects customers.

Three years of private ownership for the 10 water companies of England and Wales have brought some undisputed benefits - principally cleaner drinking water and beaches, and faster customer service. Before the December 1989 flotation, the industry, including the 33 small water companies which are not quoted on the stock market, had suffered years of underinvestment. In many cases, water did not comply with EC standards passed nearly a decade earlier.

According to Mr Trevor Newton, group managing director of Yorkshire Water, the need for massive spending, estimated in 1989 at £28bn, was the main motive for privatisation. "It's the same in Scotland now - probably £4bn-£5bn of spending needed which the local authorities cannot finance."

As a result of the spending, treatment plants have been improved, and within several years the UK will stop piping sewage into the sea. Levels of pesticides, nitrates and lead in drinking water have been reduced, and the speed of response to ruptured pipes and flooded sewers is greater. Companies also argue that there have been a sea change in attitudes. "There has been a sea change in attitudes," says Thames Water.

However, critics of water privatisation maintain that customers carry much of the cost of this modernisation through higher bills - and that they are paying too much. The pricing formula agreed in 1989 was that a company could put up prices each year by the rate of inflation plus a "K" factor - a number set for each company by Ofwat, to allow it to pay for new spending.

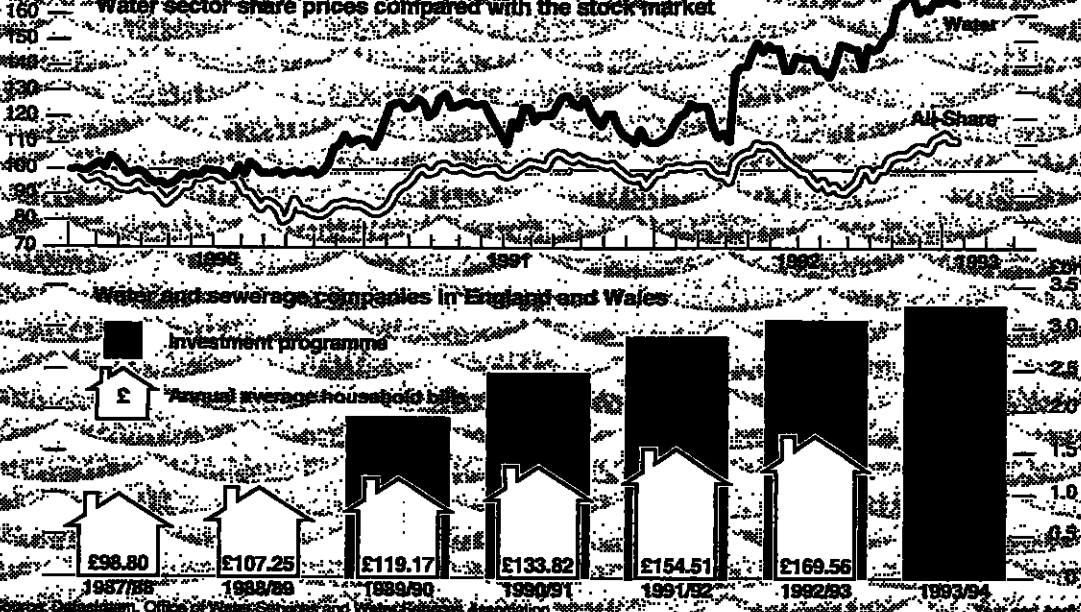
As a result, water and sewerage bills have risen by about 5 per cent

When profits land you in hot water

Are customers carrying too much of the burden of UK water privatisation, asks Bronwen Maddox

Water: a rising tide of criticism

Water sector share prices compared with the stock market



Water and sewerage companies in England and Wales

Investment programme
Annual average household bill
Annual average household bill

1989/90: £28.80, 1990/91: £27.25, 1991/92: £119.17, 1992/93: £133.82, 1993/94: £154.51, 1994/95: £169.56, 1995/96: £183.54

above inflation each year and will reach an average £170 a year on April 1. This compares with annual rises below inflation for the privatised telephone, gas and electricity utilities.

Ofwat has warned that last year's bills could double in real terms by 2005 as the true cost of meeting EC and national environmental rules becomes clear. The regulator has suggested that full compliance with all the rules could mean spending £45bn by 2005, more than 50 per cent higher than estimates at privatisation.

Even water executives have criticised the privatisation for not anticipating the industry's costs more accurately. Some also suggest that because the price formula allows the water companies to pass on much of the cost to customers, it has encouraged over-ambitious water standards, beyond the levels necessary for health. "I think that [if the government had been bearing the costs] there may well have had to be more scrutiny of the standards and more pressure on their costs, going back to the drawing board in some cases," says Sir Roy

Watts, chairman of Thames Water.

Environmental groups such as Friends of the Earth claim that, for the same reason, the price formula has given water companies little incentive to try to pass costs back to industries and farms, which are the source of the pollution. The water industry stresses the difficulty of identifying the culprits, but concedes some of the charge: "It is policy to make the polluter pay, but there's not a lot of [that practice] about," says Sir Roy Watts.

However, the most frequently voiced attack on the privatisation, and the focus of Labour's complaints, is that shareholders do not carry enough of the industry's financial burden. Dividends have risen by between 6 per cent and 10 per cent a year since 1989, and the shares - now worth £10.7bn - have more than doubled in value.

Industry observers point out that critics often overstate the attractions of the shares. They argue that, although the reliability of the water companies' profits and dividends has increased the shares' popularity during recession, this advantage will diminish by comparison as

other companies recover. However, the question of striking the right financial balance between shareholders and customers is also the main dispute - and an increasingly acrimonious one - between the water industry and Ofwat. Ofwat is ultimately responsible for getting that balance right when it sets price rises - a tough job, because it is almost impossible to create even limited competition in supplying water and sewerage.

On Monday, the disagreements broke out again when the water companies attacked Ofwat's latest consultation paper as "fundamentally arbitrary and flawed". Alone among the utility regulators, Ofwat is legally obliged to allow the companies to earn a "reasonable rate of return" on their capital when setting price rises. The dispute is about how to define that reasonable rate of return, an issue central to the 1994 Periodic Review.

That review, which will set rises in water bills until 2005, will be the biggest test since privatisation of whether the regulatory framework adequately protects the customer. Mr Byatt has won public praise for

his concern for poorer households faced with hefty bills. He can take some credit for the industry's increasing efficiency - he has made clear that he may penalise inefficient companies by setting them lower annual price rises at the review. He has also restrained annual price rises - held back this spring by about 1 per cent.

However, leading City firms are questioning whether Mr Byatt will be able to be as tough at the review as his public comments suggest. Robert Fleming Securities, the investment house, argued in a report last month: "Any attempt by Ofwat to set tough new price controls will be thwarted by the industry's massive investment programme. The programme is the saviour for shareholders... Ofwat cannot afford to be too severe or it will be in breach of its legal requirements to ensure that the industry can finance its activities."

The argument is put vigorously by the industry itself: according to one finance director, "Mr Byatt has to face the realities of the market - we need the rates of return we are getting to raise money for the capital spending".

Comments like that identify one of the biggest difficulties of Ofwat's role, and one of the possible weaknesses of the regulatory regime in protecting the customer. Mr Byatt appears to have formidable power in setting price rises. But he is also legally obliged to set them high enough for companies to have enough money to bring their pipes and plants up to specified standards. Yet he does not control the water quality standards, which are set by the European Commission, the UK government and the National Rivers Authority, the river quality watchdog. As a result he has almost no control over the industry's costs - and so in reality only limited control over prices.

Mr Byatt's decisions in 1994 will show whether scepticism about the extent of his power is warranted. In the event, the water companies' anxieties about how their customers react to rising bills may be at least as important as Ofwat's endeavours to restrain them.

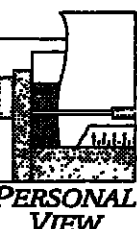
A few companies say, privately, that most customers do not yet appear worried about bills, which are still usually less than those for gas, electricity or telephone. But water will eventually overtake the others - "and I guess we know in all honesty we can't keep putting up the prices forever at this rate, whatever the K formula says", one finance director conceded.

The water companies are right to be concerned - they have a difficult case. Privatisation has clearly brought customers cleaner water and beaches, but there are legitimate concerns that the price they are paying may be too high.

Geoffrey Owen

The author, former editor of the Financial Times, is director of the Business Policy Programme at the Centre for Economic Performance, London School of Economics

The myth of Britain's decline



PERSONAL VIEW

Is there no limit to the British passion for self-denigration? Newspapers and magazines are filled with articles lamenting - or revealing - the breakdown of national institutions, the demise of traditional British virtues and the weakening of the economy. After a false dawn in the 1980s, some commentators are delighted to report, Britain has regained its reputation as the sick man of Europe.

This mood, spread by a coalition of frustrated anti-Thatcherites on the left and nostalgic conservatives on the right, is dangerous. By encouraging the belief in an all-encompassing British decline, it distracts attention from the piecemeal attack on specific problems which are neither insuperable in themselves nor substantially different in character and severity from those that afflict other countries.

The media establishment (far

more powerful than the old "establishment" which is said to rule our lives) trots out the usual culprits - a class system, public schools, anti-industrial culture and so on. Most of these gloomy diagnoses are linked, directly or indirectly, to a sense of disappointment, even despair, over Britain's economic performance since the second world war.

But is this despair really justified? An understanding of Britain's postwar record is not helped by the tendency, perhaps reflecting wartime successes, to overstate the country's competitive strengths in the 1940s and 1950s. There is a widespread view that Britain, mainly through the ineptitude of businessmen, threw away opportunities for industrial leadership after the war. But it is quite unrealistic to suppose that, in the trading environment which prevailed from the 1950s and 1960s onwards, Britain could have retained industrial leadership, except in one or two sectors where domestic conditions were particularly favourable.

The liberalisation of world trade

posed problems of adjustment for Britain, as it did for the other advanced industrial nations. As a medium-sized industrial power Britain had to find a place in an integrated world economy in which other nations - the US and Japan in some fields, the newly industrial-

ised countries in others - had important competitive advantages. Britain faced a number of particular obstacles in making this transition, some stemming from the legacy of the industrial revolution (outdated structures and institutions in older industries such as textiles and steel), some from post-war events (the sellers' market of 1945-51, the orientation to the Commonwealth, delayed entry into the

Common Market). These and other factors made it more difficult for Britain to grow as fast as its continental neighbours in the 1960s and 1970s. It might have been better if Britain had resigned itself to slower but steadier expansion during that period, instead of trying to kick-start the economy and then, after the dash for growth had fizzled out, looking for scapegoats to explain its failure. From the early 1960s, when the habit of national self-denigration began to take hold, the search for scapegoats - and for miracle cures borrowed from other countries - has been a recurring theme in British economic comment.

Viewed from today's perspective, the industrial adjustment which has taken place since 1960 can be seen as neither brilliant nor catastrophic, but a patchy outcome not hugely different from that of, say, France. Compared with the continental countries, Britain did less well in the earlier post-war period, with governments and industries fumbling for a way round the obstacles, but more respectably since the

late 1970s, as companies responded to intense international competition and took advantage of the Thatcher government's reforms.

None of this justifies complacency over the productivity lag which persists in many industries, or over the loss of capacity resulting from the earlier period of floundering, followed by two severe recessions. But it is not helpful to regard these problems, and more generally the serious economic difficulties which the country now faces, as symptoms of some deep-seated flaw in the system which, almost by definition, is irredeemable. Constructive self-criticism is welcome, as are practical proposals for dealing with individual ailments. Exaggerated gloom about all things British is unnecessary and counter-productive.

Geoffrey Owen

The author, former editor of the Financial Times, is director of the Business Policy Programme at the Centre for Economic Performance, London School of Economics

Smoke behind the screen

South Australian premier Lynn Arnold arrives in London this week on a top-secret mission. His cover story is that he is here to rail against the Defence Ministry's stone-walling over the cost of cleaning up the 1960s nuclear test sites in the Mullarboon desert.

That, however, is partly a screen for an even more important job he plans to do. His contact man for it is Bernie Ecclestone, executive director of the Formula One Constructors Association, the most powerful man in Grand Prix motor racing. Since the mid-1980s, Arnold's home town of Adelaide has staged the November Formula One event raising around A\$100m in tourism revenues.

However, a formidable cloud has been spotted recently on Adelaide's horizon - a new federal law banning tobacco advertising in Australia after 1995. The same cloud has already caused the demise of the French Grand Prix. And the Adelaide race is dead if sponsors like Marlboro get the jitters.

Arnold's pitch to Ecclestone is likely to consist of an assurance that the state government will apply to Canberra for an exemption from the new legislation for the Grand Prix. Somehow that doesn't sound like a promise that will impress an argumentative opponent

like prime minister Paul Keating. No doubt Arnold has a more powerful secret weapon in reserve. Declare independence, perhaps?

Straw man

Britain's Labour party desperately needs an injection of new ideas, but it is hard to believe that Jack Straw's thoughts on the monarchy, however revolutionary, should be given top billing.

Much more interesting would be to hear Straw's ideas on how to shake up the appalling education system in England and Wales, a task he failed to address properly during his four-year stint as shadow education secretary.

Unless Labour can come up with some sensible ideas on how to improve education, raise the standard of public services and tackle poverty - without doubling taxes - it'll never have a hope of tidying up the monarchy.

Diplomatic

Still on the subject of the monarchy, Japan was glued to its TV sets yesterday as the country's soon-to-be married crown prince and his diplomatic bride - dubbed "superprincess" - held their first press conference.

No surprises from the prince who told the nation that he had never managed to get 29-year-old Ms Masako Owada out of his mind.

OBSERVER



"I had no idea he was in M15 until he came home smelling of lamb cutlets"

As for her parents, they seemed rather grim at the prospect of their daughter disappearing behind the palace walls. However, a few eyebrows were raised when Ms Owada, in a spot of nervous humour, said she hoped the prince did not want enough children to start an orchestra.

Obtusa?

On the day he landed the job as a presenter of the BBC One O'Clock news, John Tusa, former World Service boss, was in Moscow showing off his hobby horse, the

"Marshall Plan of the Mind". Sadly, the new Russian information minister, for one, was not exactly bowled over. How much would the series of radio programmes on the market economy cost, Mikhail Fedotov enquired. On being told they were free, he wanted to know how the British could contemplate giving away a programme on how to make money.

Then there was a point about the "House Seven Entrance Four", a soap opera, part of the same endeavour, already running and featuring the now-all-too-familiar Russian characters - a redundant academic, a businessman and a babushka. Fedotov had another complaint. "You should have had an official in there. Everything evil in Russia has come from our bureaucrats," he carped.

Redundancies

Good to see Professor Patrick Minford, a leading apostle of free-market economics, practising what he preaches.

Two years ago the government's Economic and Social Research Council axed his £100,000-a-year research funding, so Liverpool University's answer to Lord Keynes has been searching high and low for a new source of venture capital. He has finally persuaded Cardiff Business School, one of the richer bits of the University of Wales, to give him £50,000 a year for five

years, in exchange for a long-term study on the Welsh economy. Cardiff links with Minford - a member of the Treasury's new panel of outside economic experts, which includes Cardiff's visiting professor, Tim Congdon - should give it a higher profile in the notoriously clubby UK economics community.

However, Minford has had to pay a fairly high price to remain in the forecasting business. He has had to cut his team in half since 1991.

Shorthand

Fresh evidence of Richard Branson's highly individualistic business approach emerged at yesterday's press conference on his new national pop radio station. As the man who humiliated mighty British Airways explained his plans to beat the BBC at the pop radio game, a colleague's attention was caught by a message inked on Branson's hand.

A reminder to call Lord King perhaps, or Transport Secretary John MacGregor? Something much more important, it seems. A reminder to call Roger Bray, the Evening Standard's air correspondent and travel writer.

And no, Branson was not returning Ray's call. The prolific communicator just wanted to bend the hack's ear about his latest mission - capturing some of BA's airport slots.

First western helicopter joint venture with Moscow valued at FF550m Eurocopter signs Russian deal

By Paul Betts, Aerospace Correspondent, in Paris

EUROCOPTER, a Franco-German helicopter manufacturer, yesterday announced it had signed an agreement with three Russian companies to develop and market a 30-seat helicopter.

Eurocopter is the first western helicopter group to establish an industrial partnership with the Russian helicopter industry.

The group signed a co-operation deal with Mil, Kazan and Klimov to develop and market a 30-seat, 14-tonne civil helicopter. The craft, called the M138, will compete against western-produced models.

The helicopter, expected to enter service in 1999, will be developed at the Mil helicopter plant in Moscow.

Mr Jean François Bigay, Eurocopter's chairman, said the European group would invest about FF550m (\$102m) in the project. The Russian authorities had agreed to finance their share, he added.

Eurocopter will be responsible for the cockpit, avionics system and passenger accommodation of the twin-engine helicopter. It will compete in the same market as the civil version of the EH101 helicopter under development by Westland of the UK and Agusta of Italy.

The M138 is also expected to challenge plans by Sikorsky of the US to develop a large helicopter, the S82. Mr Bigay said market studies suggested an annual demand for about 300 large helicopters worldwide.

Eurocopter is the west's second

largest helicopter manufacturer after Sikorsky. It was formed last year when Aerospatiale of France and Deutsche Aerospace pooled their helicopter activities.

Russia has long been the largest producer of helicopters. Since the breakup of the Soviet Union, Russian companies have been seeking partnerships with western manufacturers to help them penetrate western markets.

Western manufacturers have also shown growing interest in co-operation with Russian companies to break into the Russian helicopter market, which has been closed to western companies until now, and is regarded as offering significant longer-term potential.

Western aerospace manufacturers in general are keen to forge links with Russian groups.

Agreements have already been signed between Russian companies and western airframes, avionics, and aeroengine companies, but until yesterday no agreement had been reached in the helicopter sector.

However, the helicopter market continues to be under pressure because of the decline in military spending and economic slowdown. Eurocopter booked 159 new helicopter orders last year compared with 256 in 1991, reflecting the general decrease in the industry.

Eurocopter sales last year dropped to FF11.6bn from FF12.6bn in 1991. But Mr Bigay said Eurocopter had broken even in its first full year of operation. In spite of provisions to cover restructuring of French and German helicopter operations.

Brussels to seek meeting with G7 finance ministers

By Lionel Barber in Strasbourg

THE EUROPEAN Commission is seeking a special meeting of Group of Seven finance ministers to bolster monetary co-operation and co-ordination between the EC and the incoming Clinton administration in the US.

Mr Henning Christophersen, EC economics commissioner, said yesterday that lack of monetary co-operation with the US was partly to blame for September's crisis in the European Monetary System and the resulting turbulence in international currency markets.

It is understood that contacts between Brussels and Washington have taken place with a view to holding a meeting of G7 finance ministers early next month - well ahead of their scheduled talks in April, around the time of the International Monetary Fund's policymaking interim committee.

In Senate confirmation hearings last week, Mr Lloyd Bentsen, US Treasury secretary-designate, showed interest in breathing new life into G7 co-operation.

Mr Christophersen - who as an EC commissioner would not normally attend a G7 finance ministers' meeting - said it was "very important" to revive inter-



Christophersen: Interest rate gap

national monetary co-operation inside the G7 which he said had fallen into disrepair. "In the past nine to 10 months, there has been a wide gap between US and European interest rates. That is part of the explanation of what has happened in the currency markets," he said.

Mr Christophersen believed European interest rates had now "peaked" - picking up the optimistic theme struck last Monday at a meeting of EC finance ministers in Brussels. He predicted that Germany would soon be able

to lower interest rates, based on the prospect of a wage pact between unions, employers and the Bonn government and tax increases to fund the costs of reunification.

These were the preconditions set by the Bundesbank for an early cut in interest rates, said Mr Christophersen, who this week unveiled a lower forecast of 0.8 per cent growth in the Community in 1993 - down from between 1 and 1.5 per cent. He suggested yesterday, however, that a small fiscal stimulus in the US could lead to an extra 0.5 per cent growth in the EC this year.

On prospects for Ecu, Mr Christophersen said it was likely that the planned enlargement of the EC to include Austria, Sweden, Finland and Norway by 1995 would increase the chances of a "majority" of EC members opting for a common currency.

Under the provisions of the Maastricht treaty, the Commission must prepare a report on whether member states are in compliance with strict convergence programmes on budget deficits, inflation and exchange rate stability. Mr Christophersen predicted that the new Scandinavian members and Austria would probably meet the criteria and want to press ahead with the third stage of Ecu by 1997.

Mediators to visit Zagreb and Sarajevo over flare-up

By Laura Silber in Pale, Bosnia, and Robert Mauthner in London

INTERNATIONAL mediators Cyrus Vance and Lord Owen yesterday said they would fly to Zagreb and Sarajevo today. The announcement came as the Bosnian Serb parliament was still debating whether to approve their constitutional proposals for a new Bosnian state.

The mediators' spokesman, Mr Fred Eckhardt, said they had been invited by President Alija Izetbegovic of Bosnia to try to bring an end to the flare-up of fighting between Muslims and Croats, nominally allies in the conflict with the Serbs.

Mr Vance and Lord Owen - who will have talks with President Franjo Tudjman of Croatia and Bosnian Croat leader Mr Mate Boban in Zagreb, after meeting Mr Izetbegovic - will not go to Pale, the Bosnian Serb headquarters, where the local assembly was due to vote on the peace plan last night.

The general expectation was that the assembly would approve the proposed constitutional framework, under which Bosnia would remain a unitary state, but would be divided into 10 largely self-governing provinces.

Mr Radovan Karadzic, the Bosnian Serb leader, last week accepted the plan, on condition that it was approved by his assembly, after strong pressure from Mr Slobodan Milosevic, the Serbian president. Mr Karadzic said he would urge deputies to vote "yes" because the document "nevertheless enables us to reach our goals".

Yet it is clear the Bosnian Serbs interpret the proposals differently from their authors, who see them as a guarantee against the creation of an independent Serb state within Bosnia which would have the freedom to decide on a union with Serbia proper.

In Pale, Serb officials said they viewed it as similar to the United Nations peace plan for Croatia: a means to consolidate their territorial gains in Bosnia. Far from restoring Bosnia-Herzegovina's territorial integrity, the officials said the plan opened the way to a de facto recognition of a Bosnian Serb republic. "The plan is a little like the Koran," Mr Todor Dutina, the Bosnian Serb deputy foreign minister, said. "It can be interpreted in many ways."

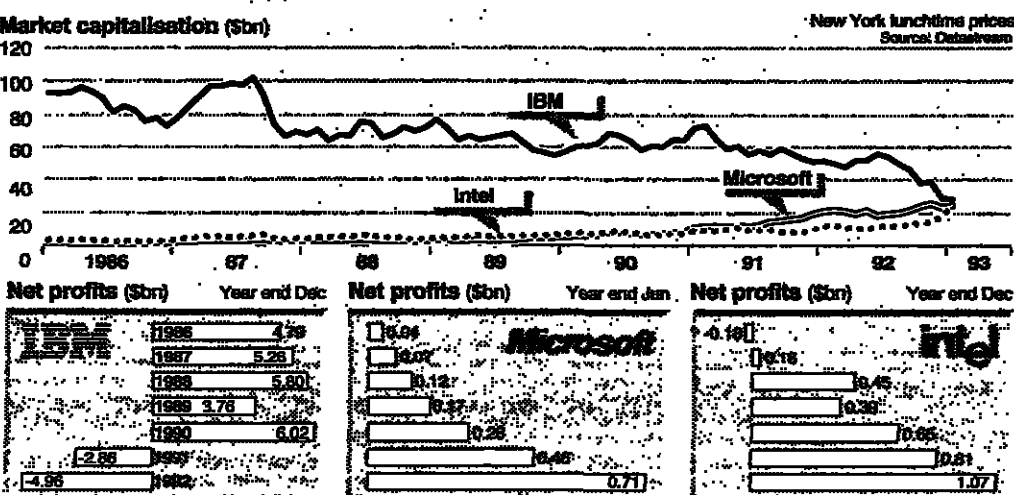
Clinton's inauguration

Continued from Page 1

announced this week, ensuring not too many empty desks in the corridors of power this afternoon. At the White House, the desks were finally being cleared. Some incumbents are staying on for a while, but some confusion reigns.

President George Bush's packing is about done and he made his internal farewells. Apart from last-minute consultation on Iraq, his only remaining official order of business is to have the Clintons over for coffee this morning, to accompany them to Capitol Hill for the inauguration ceremonies and leave for Texas.

New world order: upstarts overtake IBM



International Business Machines, the creation of Thomas Watson sr., made its name in tabulating equipment. It was slow into computers but after the launch of System/360 in 1964, it quickly captured the world market for mainframes. It dominated data processing for 25 years through aggressive, resourceful marketing. A latecomer to personal computers, it eventually dominated that market. IBM planned to achieve \$100bn annual sales by the turn of the century but failed to appreciate the speed at which customers were moving from expensive mainframes which commanded high gross profit margins to relatively smaller, cheaper computers.

Microsoft was a small personal computer software company in 1980 when IBM asked its youthful president Bill Gates to develop operating software for its soon-to-be launched personal computer. New some 120m pcs world-wide run on the company's MS-DOS. The success of the PC made Microsoft's fortune and ensured its significant position in the future of the computer industry. Microsoft supplies 30 per cent of the world pc market; Gates, still only 37, is America's richest man with about \$7bn. While not outstandingly innovative, the company is an aggressive marketer. It faces a US investigation into allegations of unfair and monopolistic practices.

Intel, now the world's largest semiconductor manufacturer, benefited greatly from IBM's decision to use its family of microprocessors for the market-leading IBM PC. Pc manufacturers aiming to build machines compatible with IBM's were obliged to use Intel chips or copies made by other manufacturers. Under Andrew Grove, the semiconductor maker has fiercely protected its dominant position - some 70 per cent or more of pcs use Intel chips - by refusing to license its most sophisticated designs to its competitors. It improved sales and profits dramatically in 1992 and is expected to repeat the performance this year with its Pentium chip.

IBM plunges to \$4.97bn annual loss

Continued from Page 1

net losses of \$560m, against net profits of \$1.7bn a year ago. Most of the 1992 restructuring costs were charged to US operations, where some 29,000 jobs were cut. The US operations also carry the bulk of product development costs.

In December, IBM announced plans to cut another 25,000 jobs this year, about half in Europe. The company also said it would cut research and development spending by about \$1bn this year, to \$8bn, and reduce general expenses by the same amount.

Gross profit margins will continue to be under pressure, it

warned. In the fourth quarter of 1992, gross margins declined to "slightly below 40 per cent" from 49.9 per cent in 1991 and 55.5 per cent in 1990.

The spotlight will stay on IBM next week, when its board will decide whether to reduce the shareholder dividend, which stands at \$4.84 a year.

World Weather		°C °F		°C °F		°C °F		°C °F		°C °F		°C °F									
		S	9	48	Frankfurt	F	8	46	Malaga	S	15	59	Opera	S	12	54	Tenerife	F	19	66	
		Brussels	F	7	45	Geneva	F	6	43	Osaka	S	19	66	Paris	S	10	50	Tokyo	S	14	57
		Buenos Aires	C	-23	73	Glasgow	F	5	41	Seoul	S	14	57	Perth	C	-8	21	Ulsan	S	10	50
Ajaccio	F	13	55	Budapest	F	11	52	Helsinki	S	11	52	Shanghai	S	10	50	Yokohama	S	14	57		
Algiers	S	19	66	Cairo	S	24	75	Hong Kong	S	11	52	Mexico City	C	25	77	Phnom Penh	S	27	81		
Amsterdam	S	16	61	Cardiff	F	8	46	Incheon	S	27	81	Rio de Janeiro	S	27	81	Vienna	S	7	45		
Athens	S	16	61	Casablanca	F	18	64	Istanbul	S	10	50	Rome	S	12	54	Warsaw	S	5	41		
Bahrain	S	13	55	Chongqing	S	18	64	Los Angeles	S	18	64	Sao Paulo	S	24	75	Washington	F	3	-27		
Bangkok	C	32	90	Cologne	R	8	46	Moscow	S	1	34	Singapore	S	27	81	Yokohama	S	14	57		
Bombay	S	11	52	Copenhagen	R	2	36	Munich	S	8	46	Stockholm	S	12	54						
Buenos Aires	S	17	63	Dallas	F	13	55	Nuremberg	S	9	48	Sydney	S	12	54						
Calcutta	S	17	63	Dublin	F	8	46	Osaka	S	19	66	Taipei	S	17	63						
Cardiff	S	11	52	Edinburgh	F	5	41	Paris	S	10	50	Tel Aviv	S	17	63						
Chongqing	S	18	64	Faro	F	15	59	Rio de Janeiro	S	24	75										
Copenhagen	S	11	52	Frankfurt	F	7	45	Rome	S	17	63										
Dallas	F	13	55	Glasgow	F	5	41	Sao Paulo	S	24	75										
Dublin	F	8	46	Helsinki	S	11	52	Singapore	S	27	81										
Edinburgh	F	5	41	Hong Kong	F	24	75	Stockholm	S	12	54										
Faro	F	15	59	Incheon	S	27	81	Sydney	S	12	54										
Frankfurt	F	7	45	Los Angeles	S	18	64	Taipei	S	17	63										
Glasgow	F	5	41	Madrid	S	7	45	Tel Aviv	S	17	63										
Helsinki	S	11	52	Manila	S	26	79														
Hong Kong	F	24	75	Mexico City	C	25	77														
Incheon	S	27	81	Montreal	S	19	66														
Los Angeles	S	18	64	New Delhi	S	15	59														
London	F	8	46	Nice	S	14	57														
Los Angeles	S	18	64	Osaka	S	19	66														
Madrid	S	7	45	Paris	S	10	50														
Manila	S	26	79	Rio de Janeiro	S	24	75														
Mexico City	C	25	77	Rome	S	17	63														
Montreal	S	19	66	Sao Paulo	S	24	75														
New Delhi	S	15	59	Singapore	S	27	81														
New York	S	4	25	Stockholm	S	12	54														
Nice	S	14	57	Sydney	S	12	54														
Osaka	S	19	66	Taipei	S	17	63														
Paris	S	10	50	Tel Aviv	S	17	63														
Rio de Janeiro	S	24	75																		
Rome	S	17	63																		
Sao Paulo	S	24	75																		
Singapore	S	27	81																		
Stockholm	S	12	54																		
Sydney	S	12	54																		
Taipei	S	17	63																		
Tel Aviv	S	17	63																		

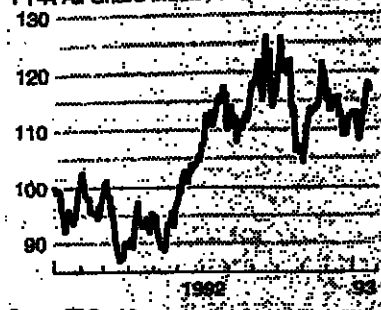
THE LEX COLUMN

Big Blue turns red

FT-SE Index: 2737.6 (-25.5)

National Power

Share price relative to the FT-A All-Share Index



Virgin reveals their judgment as seriously flawed. Less can be taken on trust in future, especially if BA now becomes inward-looking and obsessed with damage limitation.

Perhaps the strategy is not all it is cracked up to be. Having failed to cement its original alliance with USAir, should BA now be doggedly pursuing a lesser but still costly deal with the same partner? Mr Branson is determined to make the most of his victory. The more he succeeds in shaking faith in BA's leadership, the greater the threat to its share price. If investors were to start losing money as a result, complaints about corporate governance would escalate.

UK electricity

The outperformance of National Power and PowerGen this year suggests a market belief that British Coal pits can be saved without a sacrifice from the generators. Whether any subsidy for British Coal is funded from the nuclear levy or a new surcharge on electricity bills, shareholders will not be the cost. The details have to be hammered out in Brussels. But it is hard to imagine the Eurocrats supporting the scheme. A bigger risk is that the government's enthusiasm also leads to measures which the electricity regulator finds irksome.

A ban on gas-fired power projects, for example, might disappoint National Power and PowerGen. Both have plans for gas-fired plant. By restricting competition in generation, though, the government would entrench the coal-burning duopoly. Even if Professor Littlechild swallowed such political interference, the

chances of a reference to the Monopolies and Mergers Commission would increase. While the Treasury is itching to sell its remaining 40 per cent stake in the generators, that might seem a distant threat. Equally, five-year deals with British Coal and the regional electricity companies should underpin earnings growth. But with the shape of government energy policy still unclear, there is plenty of room for disappointment.

UK gilts

The gilts market was short-sighted to rally on the basis that the forthcoming auction will be for £2.5bn rather than the £3bn that some had feared. Before long the auctions will become considerably larger. Yesterday's PSBR figures confirm the trend towards a larger deficit. Stripping out the distortions caused by monthly VAT payments adds around £1bn to December's deficit. Central government revenues thus fell slightly in the first nine months of 1992-93 while expenditure increased by almost 15 per cent. Having largely funded this year's deficit, the authorities may want to avoid premature alarm about 1993-94. But investors should be wary.

Higgs and Hill

The flurry of excitement surrounding housebuilder Berkeley Group and Higgs and Hill was over almost before it started yesterday. Berkeley sold its stake in Higgs at a tidy profit as soon as market awareness of its interest caused a spike in the price. Nevertheless, the episode highlights anomalies in the valuation of some construction companies.

Many housebuilders have long traded at a sizeable discount to stated assets - and with good reason. The market has been unable to assess the true worth of assets as companies have collapsed and land prices have crumbled. Valuing shares has been rather like trying to pin the tail to the donkey.

But Berkeley's purchase of Higgs' shares was prompted by the belief that the disparity between asset value and share prices had gone too far. With Higgs' sound enough finances and book assets of £2 per share valued at below 40p, it is difficult to disagree. The point may have been reached when it is cheaper for growing housebuilders, such as Berkeley, to acquire land by buying undervalued rivals than to buy land directly.

Neither the Debentures, the Warrants nor any MGIC Investment Corporation common stock to be delivered upon an exercise of the Warrants have been registered under the Securities Act of 1933, as amended, and neither the Debentures, the Warrants nor any such MGIC Investment Corporation common stock may be offered or sold in the United States or to, or for the account or benefit of, a U.S. person absent registration under such Act, except pursuant to an applicable exemption from the registration requirement of the Act. All of the Debentures and Warrants having been sold, this announcement appears as a matter of record only.

U.S. \$150,000,000

SwissRe Finance (U.S.) Inc.

3 1/2 per cent. Guaranteed Debentures due December 22, 1999

Unconditionally and Irrevocably Guaranteed by

Swiss Reinsurance Company

with 2,925,000 Warrants of Swiss Reinsurance Company to purchase Common Stock of

MGIC Investment Corporation

Goldman Sachs International Limited

Credit Suisse First Boston Limited

Cazenove & Co.

Deutsche Bank AG London

Morgan Stanley International

Nikko Europe Plc

Société Générale

S.G. Warburg Securities

December 1992

هكذا من الثمن

PROFIT WITH THE ENVIRONMENT
RPS GROUP PLC
THE ENVIRONMENTAL CONSULTANCY
0235-863206

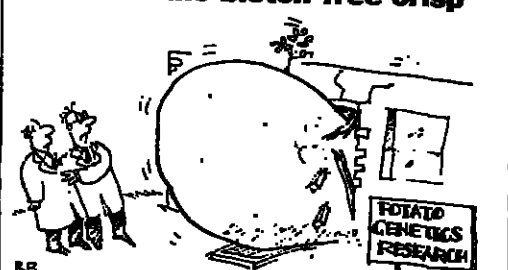
Net Profit through Networking
with
NEWBRIDGE
Building Business Networks
Newbridge Networks Ltd.
0633 413600 071 638 0022

INSIDE

VW quits joint plan for small electric car

Volkswagen, the German carmaker, has been forced to abandon its pioneering small electric car development project with SMH, the Swiss watchmaker. VW, whose profits are falling steeply, is pulling out to avoid heavy investment. The Swiss company, maker of the popular Swatch watch, said it would consider alternative partners. Page 16

Quest for the blotch-free crisp



A genetically modified potato may put a stop to discoloration on crisps - caused when starches turn to sugar on contact with hot cooking oil. Maribo Seeds has modified the carbohydrate make-up in a strain of potatoes, reducing the sugar content. Page 24

UK mining suppliers link up

The UK coal industry crisis has led two of Britain's biggest mining equipment businesses to propose creating a joint venture that will be a leading international supplier of pit supports and conveyor belts. Dobson Park Industries plans to combine its mining equipment division with Mecco International. Pages 22, 16

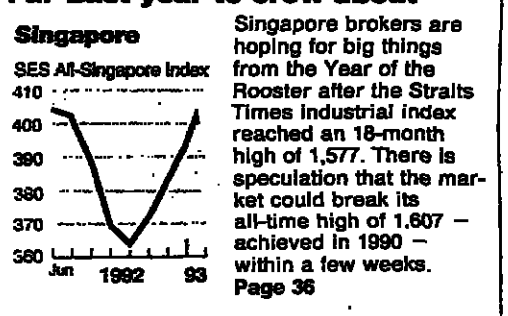
Eastman Kodak cuts 2,000 jobs

Eastman Kodak, the photographic products company which has recently unveiled steps to improve its lacklustre earnings, announced further action in its core imaging business which will lead to the loss of 2,000 jobs. Page 18

Yorkshire-Tyne Tees up to £16m

Mr Clive Leach, group chief executive of Yorkshire-Tyne Tees Television, admitted that the UK group had been "high bidders" for its ITV franchise, as it announced increased pre-tax profits of £16m (£24m). Interest was focused on what happens now the merged company must pay £52.76m a year in fees to the Treasury. Page 22

Far East year to grow about



Market Statistics

Base trading rates	32	London share service	25-27
Benchmark Govt bonds	20	Life equity options	29
FT-A indices	25	London trade options	29
FT-A world indices	26	Managed fund service	28-32
FT-Asia and bond	18	Money markets	32
FT-Asia and bond	20	New int. bond issues	28
Financial futures	32	World commodity prices	24
Foreign exchanges	32	World stock index	33
London recent issues	20	UK dividends announced	21

Companies in this issue

AHP	18	Henderson	22
Aim Group	23	Henderson Admin	22
Air Canada	18	Higgs & Hill	21
Air Tours	16	IBM	18
Airways	21	ICI	21
Ares-Sonoro	16	ITT	15
Astra Int.	19	Iva	16
B&E	15	JAL	19
Banc One Corp	18	Jupiler European	22
Bentley Group	21	Kellogg	18
Bethlehem Steel	18	Lee (Arthur)	22
British Airways	15	Lifely	22
Canadian Airlines	15	MSL	22
Central Motor	23	Neumann	16
Chase Manhattan	18	Meco International	18
Chemical Banking	15	NCC	16
Cibcorp	15	Owners Abroad	16
Claythorne	23	PaineWebber	18
Costain	22	Practical Investment	22
Daglan	22	Reynolds Metals	18
Dares Estates	22	SelectTV	22
Davenport Vernon	23	Smith & Nephew	22
Dobson Park	16	Smith Corona	15
Eastman Kodak	15	Taiwan Aerospace	15
Elf-Sanofi	18	Thyssen Stahl Group	22
Eni	16	Touche Remnant	15
EniChem	16	Triplex Lloyd	21
Eurocamp	21	Tusk Resources	21
Eurotherm	22	Upson & Southern	16
First Philippine	19	Usinor Sacilor	16
GFSA	23	VW	16
Glass Glover	19	Wells Fargo	18
Goodman Fielder	23	Westpac	18
Hawtin	23	Yorkshire-Tyne Tees	22
		Yves Saint Laurent	15

Chief price changes yesterday

FRANKFURT (DM)		Roses	
AD Ind & Verk	448.5 + 18.5	Audi Entrep	461 + 178
Colona Kohn PI	486 + 14	Canal+	1123 + 63
Deutsche Bank	150.8 + 6.8	Paella	
Hatmann PI	89 + 34	Castro	154.1 + 54
Paella		Havas	428.2 + 14.5
Philips Korman	508 + 22	Immobiliar	820 + 25
Schering	707 + 18	Metas	220.2 + 10.8
NEW YORK (\$)		TOKYO (Yen)	
Roses	42.5 + 1.5	Alcatel	359 + 44
Chemical Bk	50.5 + 1.5	Asahi Motors	1180 + 180
Continental	47.5 + 1.5	Daewoo	580 + 105
Ford Motor	37.5 + 1.5	Huqon Electric	485 + 45
General Motors	37.5 + 1.5	Shimadzu	403 + 37
Wells Fargo	4.5 + 1.5	Toshiba	
Paella		Yamaha	
PaineWebber	24.5 + 1.5	Mitsubishi	275 + 19
PARIS (FFr)		Mitsubishi Sanyo	
New York prices at 12:30			
LONDON (Pence)		Vickers	93 + 5
Adams & Harvey	213 + 15	Zettens	101 + 8
Ayres & Hill	49 + 1.5	Paella	
Bentley	47.5 + 1.5	Salomon	90 + 8
Bentley B&S	47.5 + 1.5	Schering	1200 + 75
Higgs & Hill	49 + 1.5	Central Motor	98 + 10
Kell Energy	25.5 + 1.5	Eurocamp	307 + 38
McGraw-Hill	4.5 + 1.5	Explo Co Loven	96 + 8
Neotronics	165 + 12	Caro	701 + 72
Office & B&C	4.5 + 1.5	Huqon T&C	64 + 12
Osney Est	4.5 + 1.5	RealTime	64 + 12
Reichard IM	178 + 11	Wells Bank	413 + 20
Time Products	21 + 7		
UK Land			

Result indicates solid recovery from last year ■ S&P upgrades credit rating
Citicorp back in the black with \$722m

By Alan Friedman in New York
CITICORP, the biggest US commercial bank, produced full-year 1992 net profits of \$722m (\$1.35 per share), compared with a loss of \$457m in 1991.
In the fourth quarter of 1992 Citicorp had net earnings of \$200m (\$3 cents a share), against a \$133m loss in the last quarter of 1991.
Citicorp's return to the black for the whole of 1992 was mirrored by improved earnings at other big US banks, including Chase Manhattan, Chemical Banking and Wells Fargo.
The New York-based Citicorp, which has weathered 18 months

of criticism from analysts on Wall Street, produced full-year 1992 net profits of \$722m (\$1.35 per share), compared with a loss of \$457m in 1991.
In the fourth quarter of 1992 Citicorp had net earnings of \$200m (\$3 cents a share), against a \$133m loss in the last quarter of 1991.
Citicorp's return to the black for the whole of 1992 was mirrored by improved earnings at other big US banks, including Chase Manhattan, Chemical Banking and Wells Fargo.
The New York-based Citicorp, which has weathered 18 months

of criticism from analysts on Wall Street, produced full-year 1992 net profits of \$722m (\$1.35 per share), compared with a loss of \$457m in 1991.
In the fourth quarter of 1992 Citicorp had net earnings of \$200m (\$3 cents a share), against a \$133m loss in the last quarter of 1991.
Citicorp's return to the black for the whole of 1992 was mirrored by improved earnings at other big US banks, including Chase Manhattan, Chemical Banking and Wells Fargo.
The New York-based Citicorp, which has weathered 18 months

Corporate finance earned \$1.1bn, sharply up on \$283m in 1991.
The bank's return on assets in 1992 was still a paltry 0.32 per cent, less than half the US industry average. Its common equity-to-assets capital ratio, while clearly on the mend, was only 3.7 per cent, up from 3.4 per cent in 1991.
The tier one capital ratio, a key measure for regulators, was much improved at 4.9 per cent against 3.7 per cent in 1991.
Mr James McDermott, presi-

dent of bank analysts Keefe Bruyette, said Citicorp's profits were helped by wider interest margins and the impact of expense reductions.
"The results were better than expected, although they are not out of the woods yet and need to do more on cost-cutting and capital strengthening," he said.
Standard & Poor's, the credit rating agency, reacted to the Citicorp numbers by revising its ratings outlook for the bank from "negative" to "stable".
Other results, Page 18

Germany's biggest steelmaker blames recession for decision to raise prices
Thyssen Stahl Group reports sales fall of 16%

By Ariane Genillard in Dusseldorf
THYSSEN STAHL Group, Germany's biggest steelmaker, yesterday reported a 16 per cent fall in sales to DM2.5bn (\$1.57bn) in the first quarter of the year.
The group also announced it will increase its own steel prices this spring, blaming the low steel prices which are plunging European steelmakers into a deep recession.
Prices will rise by between 10 per cent and 15 per cent on April 1 and by an additional 5 per cent on July 1.
These rises would return prices to July 1992 levels, Mr Wolfgang Kohler, member of the board, said.
Mr Ekkehard Schulz, chairman, welcomed the recent decision made by British Steel to increase prices, calling it "a step in the right direction".
Pre-tax profits at Thyssen Stahl, which last October merged with Thyssen Edeltahl, the special steel division to form Thyssen Stahl Group, dropped for the fiscal year ending September 30, 1992, to DM158m from DM165m in the previous 12 months.
All of the group's divisions were in the red, except for those producing stainless steel and rails, Mr Schulz said.
Thyssen Edeltahl recorded a DM313m loss against a DM63m deficit in the previous year. Sales dropped by 8 per cent to DM3.1bn.
Thyssen Stahl and Thyssen Edeltahl merged on October 1,

1992 in an attempt to cut costs and restructure production.
Mr Schulz said the merger could save at least DM200m.
Further job cuts are expected as part of the group restructuring efforts.
Nearly 4,000 workers will be laid off in the course of the current fiscal year.
Redundancies for the overall group are expected to reach 8,000 workers by September 30, 1994.
In January, the group already had nearly 12,000 employees on part-time work.
The consolidated group total labour force is 57,000 workers.
Mr Schulz blamed the worsening results on low steel prices and unfair competition from east European producers.
He called on the European Community to devise pan-European measures to reduce capacity and to cut subsidies enjoyed by some European steel producers.
He added that the prognosis recently made by the German Steel Association, which predicts that crude steel production in western Germany will drop by 5 per cent in 1993 to 35m tonnes, was "too optimistic".
Mr Karlheinz Rösener, director of Thyssen Edeltahl's board, said this was due to over-capacity in Europe which had led to a "ruining price war".
Czechoslovakia, Hungary and Poland, which manufacture long steel products, were accused by the German company of "dumping" their products in EC countries.



Helping hand: Yves Saint Laurent has faced a financial squeeze

YSL merges with Elf-Sanofi

By David Buchan in Paris

ELF-SANOFI, the French drug and perfume company, is to absorb Yves Saint Laurent, one of the most famous names in Paris fashion, to create the world's third-biggest beauty products company.
The deal, based on a share exchange of four of Sanofi's shares for every one YSL share, was announced yesterday. Trading in the two companies' shares is to resume today. Before it was suspended on Monday, Elf-Sanofi's shares were FF1,100 and YSL shares were FF630.
The merger provides a way out for YSL's two controlling partners - the fashion designer of the same name and his long-time friend and co-founder, Mr Pierre Bergé - of a financial squeeze that had left them shouldering

increased debt with sharply reduced profits.
Mr Bergé, who will keep management control of the fashion side of YSL but lose that of the perfume side of the business, said he had long been concerned about the company's long-term future. This was now assured, he said, with Sanofi, as a partner.
Mr Jean-François Dehecq, Elf-Sanofi's president, said the merger was a great opportunity to add an illustrious name to its list of perfume brands - Oscar de la Renta, Roger & Gallet, Stendhal and Van Cleef & Arpels.
Elf-Sanofi, whose total turnover of around FF19bn (\$3.5bn) is about six times that of YSL, is principally interested in acquiring "image, rather than cash flow", according to one executive.
Mr Dehecq yesterday forecast that Elf-Sanofi's net profits in

1992 will "comfortably top" FF1bn, up from FF956m in 1991. This contrasts with the plunge in YSL profits last year to FF2.6m in the first six months compared with FF4.1m in the same period of the previous year.
At present, Mr Yves Saint Laurent and Mr Bergé control more than 40 per cent of YSL. This partnership will be wound up and YSL's two founders will have 8.1 per cent of the new YSL group.
Elf-Aquitaine, the state-owned oil company which controls Elf-Sanofi, is not subscribing to this share issue, and so will see its stake in its subsidiary drop from 61 per cent to 51.5 per cent.
Mr Lolk Le Floch-Prigent, Elf-Aquitaine's president, said he was pleased to see Elf-Sanofi diversify at no cost to the parent company.

BA shareholders concerned at dual roles at top management

By Norma Cohen, Investments Correspondent

LARGE shareholders in British Airways have told the company they have strong doubts about the wisdom of appointing Sir Colin Marshall to the posts of both chairman and chief executive when the present chairman, Lord King, retires in July.
Lord King, who is a non-executive chairman, has said that Sir Colin, now deputy chairman and chief executive, will replace him when he retires. However, it has not been made clear that he will hold both posts.
The shareholders said they were particularly disturbed at press reports over the weekend that discussed whether senior management had known of the "dirty tricks" campaign against Virgin Atlantic which led to BA

paying its competitor £810,000 (\$940,000) and making an embarrassing public apology.
Several shareholders are drafting letters to the board expressing concern about appointing Sir Colin to the dual posts and about the adverse commercial impact which further revelations could have.
"This is the sort of thing which points up the need for checks and balances on the board. This is why you shouldn't concentrate too much power in one person," said one.
One shareholder said the allegations of dirty tricks against Virgin had been broached at a meeting with Sir Colin and Sir Stevens last July. At the time, Sir Colin gave assurances that the matter had been investigated and that there was nothing in the allegations.
The shareholder said Sir Colin had also responded to concerns about the combination of the chairman and chief executive roles by offering assurances about the independence of the non-executive directors.
Shareholders said they told Mr Stevens they expected the board to order a thorough and independent review of the "dirty tricks" events.
"My big worry is that there are allegations that have not yet come out," said one shareholder.
Institutions fear that Virgin Atlantic's chairman, Mr Richard Branson, may exploit information not yet public to demand commercial concessions from BA.
However, shareholders said that so far, they have been pleased with the board's performance.
Lex, Page 14

Taiwan finalises BAe deal

By Daniel Green in London

BRITISH Aerospace and Taiwan Aerospace Corporation (TAC) yesterday agreed after months of intense negotiations to establish a joint venture for the production of regional jet aircraft.
BAe hopes the move will stem losses by transferring some final assembly work to Taiwan, where labour costs are lower. The regional jet division made an operating loss of £167m (\$254m) in the first half of 1992.
TAC will pay £120m to BAe in three three-monthly instalments for its half share in a new company, Avro International Aerospace.
Another \$25m will be paid when the first of BAe's RJ range of regional jets is built in Taiwan, during 1994.
BAe will use the cash to

reduce group borrowings. Net debt at June 1992 was \$987m.
"This allows us to stay in civil aviation," said Mr John Cahill, chairman of British Aerospace. He said no further jobs would be cut in regional jet manufacturing.
A £750m provision for the second half of 1992 should be "sufficient to cover the costs of reorganisation", said BAe.
Completion of the deal is still subject to regulatory approval.
Initially, one-third of final assembly of RJs will take place in Taichung, Taiwan, but this proportion would increase with rising sales of BAe's RJ range of aircraft, said BAe. The sales effort will be concentrated in the fast-growing Asia-Pacific region, although Taiwanese-made aircraft could be sold anywhere in the world, said Mr Cahill.

Avro's six-man board will have equal representation from both companies. Its chairman is Mr Mike Turner, currently chairman of the regional aircraft division and its chief executive, yet to be appointed, will be Taiwanese.
TAC is 25 per cent owned by the Taiwanese government and the rest by local companies. It was founded in 1991 to develop the island's fledgling aerospace industry.
It failed in November 1991 to clinch a \$2bn deal to take a stake in the commercial aircraft division of US aerospace company McDonnell-Douglas.
The RJ family of aircraft was launched in summer of 1992 as a successor to the BAe-146.
Avro will also provide support to about 200 BAe-146s which have been delivered to date.
London SE, Page 25

Don't waste time window shopping...

...look at FutureView.

CMS FutureView is the cost-effective, real-time price reporting terminal for financial and commodity markets. It's a windows-based system with global exchange coverage providing users with total flexibility in the display and integration of real-time futures prices to spreadsheet packages. FutureView combines ease of use with accuracy and speed of data in one value-for-money package.

CMS also provides record based raw digital feeds, flexible in terms of display and application, allowing you to integrate real-time prices into your existing system.

So whether you're in Softs, Financials, Energy, Agricultural or Metals, don't waste time window shopping for a system. Call Denise Keely on 071-702 0202 for a clearer view of the future.

CMS FutureView
A subsidiary of
LONDON FOX
The Futures & Options Exchange

Commodity Market Services (CMS)
1 Commodity Quay, St. Katharine Docks, London E1 9AX

INTERNATIONAL COMPANIES & FINANCE

Steel tube producers link up

By Haig Simonian in Milan
and Christopher Parkes
in Frankfurt

THREE OF Europe's leading producers of steel tubes are combining part of their interests to rationalise production and confront the continuing weakness in prices and demand.

Iva, the Italian state steel group, Mannesmann of Germany and Usinor Sacerlo of France will take equal stakes in a joint venture combining their seamless stainless steel tube operations.

The deal, still subject to approval by the companies' boards and the European Commission, involves Dalmine Tubi Speciali, owned by Iva, Mannesmann Edelstahlrohr and France's Vallourec.

The deal has been prompted by a mixture of excess capacity, falling demand and the collapse of some export markets for seamless stainless steel tubes.

It reflects the partners' satisfaction with the operation of a similar three-way venture, Europipe, in which they have pooled their large-diameter tube businesses.

Mannesmann has a much larger, 50:50 collaboration deal in precision tubes and pipelines with Hoesch, part of the German steel and engineering business.

This deal, which created a company with annual sales of about DM1.2bn, was approved earlier year by the European Commission, even though the partners shared 50 per cent of the German market.

The commission said at the time that other European steel producers, such as Iva, British Steel and Usinor-Sacerlo can be expected to act as real and effective competitors in future.

"To reduce costs further,

rationalisations on an international basis are necessary", said Iva.

The company, which owns almost 60 per cent of Dalmine, said each of the three partners would cut capacity by about 30 per cent. Precisely how the reductions would take place is still not clear. "There are obviously going to be closures and job losses," Iva said.

Seamless stainless steel tubes, produced at Dalmine's plant near Bergamo in northern Italy, accounted for about L100bn (\$67.1m) of total 1991 group sales of L765bn.

Iva lost L498bn before minority interests in 1991.

In spite of putting aside about L411bn of extraordinary gains into a special fund to cover restructuring costs, the group is expected to announce a substantially bigger loss for 1992.

IRI, the Italian state holding company which controls Iva, has given its management a mid-1993 deadline to produce a wide-ranging restructuring plan.

VW quits small car venture with Swiss group

By Kevin Done,
Motor Industry Correspondent

VOLKSWAGEN, the German carmaker, has been forced to abandon its pioneering small car development project with SMH, the Swiss watchmaker.

VW, under financial pressure with profits falling, is pulling out to avoid heavy investment in the project.

SMH said VW was withdrawing because it had to cut costs. The Swiss company, maker of the popular Swatch watch, said it would continue with the project and was considering offers and alternative partners.

VW joined forces two years ago with SMH to develop a small electric car for city use. It is continuing development work on its own city car project, called Chico, which may be powered by a hybrid petrol-electric power unit or by a small two-cylinder engine under development.

General Motors, the US carmaker, said yesterday that sales of its Opel/Vauxhall cars in Europe reached a record 1.61m units last year, a 3.9 per cent rise from 1.55m in 1991.

GM said its cars, which are sold under the Opel brand in continental Europe and Vauxhall in the UK, captured 12.0 per cent of west European new car sales in 1992 compared with 11.6 per cent a year earlier.

Total GM group car sales in west Europe (including Saab, Lotus and imports from the US) rose to 1.69m last year, which pushed GM into second place in the west European new car sales league behind the Volkswagen group, which includes which Audi, Seat and Skoda.

GM began production last year at two new assembly plants in eastern Germany and in Hungary.

It opened an engine plant in Hungary, where it has taken over as market leader.

It expects to be lifted in Europe with the launch this spring of a new generation small car to replace the Opel Corsa/Vauxhall Nova.

Enichem loss deteriorates to L853.9bn

By Haig Simonian in Milan

ENICHEM, the Italian chemicals group owned by the ENI state holding company, has revealed a rise in losses to L853.9bn (\$573.1m) at parent company level in the 10 months to end-October 1992.

No comparable figures are available for the same period in 1991 as the 1992 figures have emerged in a special prospectus produced by EniChem for the planned merger of 10 subsidiaries into the parent company. The 1992 figure compares with a restated loss of L732bn for the parent company for all 1991.

At group level, EniChem lost L721bn after minority interests

in the first half of last year. Full-year figures are not due until May. Earlier this year, the company said it hoped to close 1992 with a group loss of less than L1,000bn.

The new information suggests that may no longer be possible. The figures reveal marked deterioration in EniChem's financial performance during 1992. The prospectus implies weakness in demand and prices for the bulk chemicals which comprise most of EniChem's business.

Pro forma figures for the first 10 months of 1992 show that EniChem's turnover amounted to L5,534bn at parent company level, against L6,786bn for the whole of 1991.

The figures exclude results for the Montefibre synthetic fibres business and the EniChem Augusta detergents operation, both of which are listed on the stock market. Also excluded is EniChem's synthetic rubber business, and the fine chemicals.

EniChem has suffered badly from the downturn in demand and lower prices for many chemicals products. The adverse market factors have combined with political difficulties in Italy in closing plants and trimming its labour force, leading to increasingly heavy losses.

The group has endeavoured to alleviate matters by forming joint ventures with other pro-

ducers in a number of areas. Last year, EniChem announced a strategic alliance with BP Chemicals of the UK in the styrene and polyethylene fields. It has predicted that the incorporation of the 10 subsidiaries into the parent company should realise savings of up to L200bn a year.

Banco Ambrosiano Veneto (Ambroveneto), Italy's biggest private sector bank, forecast a significant increase in profits for 1992.

Official figures will not be available for some time. However, the bank reported a 21 per cent rise in customer deposits to L21,367bn and a similar-sized increase in loans to L18,856bn.

UK mine suppliers propose joint scheme

By Andrew Bolger in London

THE CRISIS facing the UK coal industry has led two of Britain's biggest mining equipment businesses to propose creating a joint venture which will be a leading international supplier of pit supports and conveyor belts.

Dobson Park Industries plans to combine its mining equipment division with Mecco International, the former mining equipment division of Dowty Group, which was the

subject of a management buy-out in 1989.

Between them, Dobson Park and Mecco supply all of British Coal's hydraulic roof supports and 80 per cent of its conveyors, used to carry coal away from the face. The joint venture, to be called Longwall International, will have annual sales of about £200m (£310m), more than 70 per cent of which will be overseas-oriented.

Longwall will have strong market positions in the US, South Africa and Australia.

The deal is conditional on approval by Dobson Park shareholders and the UK competition authorities. Dobson Park, which also has power tools and toys businesses, said this move would enable it to focus on the group's industrial electronics division.

The two companies said cost reduction benefits should result from the integration of the two businesses and a provision of £3.5m has been made to cover costs and fees.

The businesses in the venture have shed about 1,000 jobs each over the past three years, as British Coal has contracted. Industry sources said it was likely the combined group's roof support businesses would be concentrated at Dobson's Wigan factory, while the conveyor businesses would be integrated at Mecco's Worcester plant.

Mr Alan Kaye, Dobson Park's chairman, said speculation about redundancies and closures was premature. Analysis, Page 22

OFT to hear of misgivings on Owners Abroad takeover plan

By Michael Skapinker and
Richard Gourlay in London

BRITAIN'S Association of Independent Tour Operators is tomorrow expected to tell the Office of Fair Trading that Airtours' proposed takeover of Owners Abroad would seriously hamper the viability of small travel companies.

The association, which represents 126 independent tour operators, is expected to tell the OFT that Airtours' acquisition of Air 2000, Owners Abroad's charter carrier, would make it increasingly difficult for smaller travel companies to book airline seats.

It will also say that the takeover would give Airtours and Thomson, the UK's largest travel company, a dominant position on the high street, which would drive smaller travel agencies out of business. Thomson owns Lunn Poly, the UK's largest travel agents' chain, and Airtours owns Pickfords, the

second-largest.

A draft submission to the OFT is due to be considered by the association's council today. Within the next month, the OFT is expected to make a recommendation to Mr Michael Heseltine, the trade and industry secretary, who will then decide whether the £217m (\$330m) bid should be referred to the Monopolies and Mergers Commission.

Mr Noel Josephides, AITO's chairman, said that Owners Abroad's seat wholesaling business had enabled smaller operators to sell holidays from a wide range of UK airports. He said Owners Abroad had supplied aircraft seats to every member of the association which used charter flights. By contrast, Thomson and Airtours used their aircraft primarily for their own programmes.

Mr Josephides added that Lunn Poly and Pickfords were able to rely on the financial strength of their parent companies to offer discounts

on holidays which independent travel agents were unable to match. With two travel companies dominating the industry, the position of independent agents would deteriorate further, he said.

Mr Howard Klein, Owners Abroad chairman, told an AITO meeting yesterday that four operators could expect greater stability from his company's proposed tie-up with Thomas Cook and LTN, the German tour operator.

"Our deal, retaining the three majors, will bring a greater deal of stability to the UK market," Mr Klein said.

Thomson was unlikely to remain passive as an enlarged Airtours challenged a dominance of the UK market that had lasted 20 years.

"For some years forward, Thomson should fear a combined Owners Abroad and Airtours more than it should fear an Owners LTN deal," Mr Klein said.

Strong sales growth at Ares-Sorono

By Paul Abrahams in London

ARES-SORONO, the Geneva-based diagnostics and pharmaceuticals group, has reported sales up 16.7 per cent to \$854m from \$732m for the year to December 31.

The figures do not include the contribution of the OTC division, which was sold to American Home Products, the

US group, during the first quarter of last year. No group profit figures were given.

Pharmaceutical sales rose 20.3 per cent to \$751m from \$624m. Underlying growth, excluding currencies, was 18.6 per cent. Sales in the group's three main therapeutic areas - infertility, immunology and paediatric endocrinology - all rose more than 20 per cent.

Landis & Gyr, the Swiss electromechanical engineering group, said the pace of new orders in the last three months of 1992 declined from the near-record levels of the previous year, but gave no specific figures, Reuter reports. "New orders... have declined as expected in the first quarter of the current year," Mr Willy Kissling, chairman, said.

NCC sells tyre service division

By Christopher Brown-Humes
in Stockholm

NCC, the Swedish property and construction group, yesterday announced the sale of Linjedäck, the Nordic region's largest tyre service chain, for SKr125m (\$17.3m).

The purchaser is Procuritas, the risk capital company, which is partly-owned by Trygg-Hansa SFP, the Prudential Insurance Corp of America and the UK pension fund of International Business Machines.

NCC said it was selling the operation in order to concentrate on core business. Linjedäck produced a profit of SKr18m on turnover of SKr375m in 1991.

Colombian bank in \$50m equity issue

By Sara Webb in London

CORPORACION FINANCIERA del Valle, a Colombian banking and financial institution, is due to launch Colombia's first international equity issue with a \$50m offering that is

scheduled for next month.

CFV, which has investment banking and fund management interests as well as a venture capital portfolio, wants to increase its capital base to expand its loan portfolio and venture capital investments.

CFV is listed in Colombia, and the International Finance Corporation (the private sector financing affiliate of the World Bank) is a shareholder.

Merrill Lynch and the IFC have been appointed as global co-ordinators for the issue.

SAMSUNG CO., LTD.

Notice to the holders of Samsung Co., Ltd. Global Depositary Shares.

NOTICE IS HEREBY GIVEN TO THE HOLDERS OF THE ABOVE MENTIONED GDSs THAT: the Board of Directors Meeting of the Company, held on October 31, 1992 and December 11, 1992, resolved to issue NEW SHARES under the following terms and conditions.

- Form of shares: common shares and non voting preferred shares in registered form.
- Number of shares to be issued:
 - Rights Issue: 2,255,000 shares of common stock
 - Bonus Issue: 634,750 shares of common stock and 171,350 shares of non voting preferred stock.
- Issue Price:
 - Rights Issue: 13,500 Korean Won per share, tentatively.
 - Bonus Issue: 5,000 Korean Won per share.
- Allocation of New Shares:
 - 20% of Rights Issue shall be allocated for subscription by employees of the company according to the Law on Fostering the Capital Market in Korea.
 - Remaining 80% of Rights Issue shall be allocated for subscription by shareholders registered on December 31, 1992 in the proportion of 0.13009302 share per one share (2 GDSs).
 - Bonus Issue shall be allocated to shareholders registered on December 31, 1992 in the proportion of 0.05 share per one share. In the case of the Bonus Issue, the Rights Issue allocated as stated above shall be taken into account in determining the total number of shares held by shareholders, and shareholders are entitled to the same form of share as and in proportion to their holdings.
- Record date: December 31, 1992.
- Subscription period: February 9, 1993 - February 10, 1993.
- Payment date: February 12, 1993.
- Others:
 - Fraction of shares and unsubscribed shares shall be disposed of according to the Resolution of the Board of Directors Meeting.
 - The actual issue price will be determined at a later date pursuant to the regulations of the Korean Securities and Exchange Commission. Such price will in no event be greater than the tentative issue price mentioned above.
 - GDS holders should contact the Depositary (Citibank, N.A.) for further information.

SAMSUNG CO., LTD.

NOTICE OF REDEMPTION

INTERNATIONAL BANK
FOR RECONSTRUCTION AND
DEVELOPMENT
Washington, D. C.
("IBRD")

IBRD 6.4% Japanese Yen Bonds of 1985
Due 1995 (Thirty-third Series) (the "Bonds")

We hereby notify holders of the above Bonds that on March 11, 1993, the entire outstanding amount of the Bonds is to be redeemed pursuant to Condition 17 of the Bonds by IBRD exercising an optional redemption right of 100 billion yen (optional redemption price: 102%).

Paying Agents: With respect to definitive bonds, the principal of and interest on the Bonds are payable at any of the paying agents mentioned therein. With respect to recorded bonds, the payment shall be made at the paying agent designated in the application for the recording of the Bonds.

The Industrial Bank of Japan, Limited
as Representative Commissioned Company for the Bonds

20th January, 1993

SOCIETADE MINEIRA LA SABINA

Special mining shareholders company, constituted in 1855, without fixed capital, with statutory office in Huelva, Spain, and with Branch office in Minas de S. Domingos, Mérida, Portugal. Registered with the Commercial Registration Office of Mérida, no. 36720728.

Corporate ID. no. 500267430.

CONVENTION

Shareholders are invited to attend the General Meeting to take place on February 22nd, 1993 at 15:00 hours at the actual head office of the Company at Campo Grande 30 - 9th floor A, in Lisbon, Portugal, with the following agenda:

- Resolution on the management's report, the accounts for 1992, and the application of the results.
- General appreciation of the administration and the audit of the Company.
- Resolution on the adaptation of the Articles of Association to the value of assets and reduction of liabilities by conversion of debts into capital, and on the alteration of the name, the statutory head office, the object, and the remaining Articles.
- Election of the members of the Board for the period of 1993 through 1996.

The documents referring to the 1st point of order and the draft of the adaptation of the Articles to Portuguese law with the respective substantiations are held at the above mentioned actual head office at the shareholders' disposal.

Lisbon, January 12th 1993

The Chairman of the General Meeting and Director of the Company
Kurt Weinreich

Bonds Currencies Energy Metals

Objective analysis & strategies for the professional investor.

Trend Analysis Ltd.
Pentagon House, 20 St. Dunstons Street
Winchester, Hampshire SO2 3BP Fax 01204 774077
Tel 01204 678768

FX WEEK

The Newsletter Reporting on The Business of Foreign Exchange

You Deal, We'll Keep Score.

Call Today for Your Complimentary Copy
+44 71 240 2090

FOREXIA

A seven year record of successful forex forecasting daily. Commentaries, forecasts, recommendations & charts from London and New York.

FREE TRIAL
TEL: +44 81 9482016 FAX: +44 81 9484699

GROUP GOLD MINING COMPANIES

Summary of reports: quarter ended 31 December 1992

Randfontein Estates

The Randfontein Estates Gold Mining Company Limited
Registration number 01/00251/008

	Quarter ended	Quarter ended	Quarter ended
	31.12.92	30.09.92	31.12.92
Ore milled: tons (000)	2 098	2 037	4 135
Yield: grams per ton	3.85	3.80	3.83
Working cost			
- per ton milled	R102.77	R103.03	R102.90
- per kilogram produced	R26 698	R27 067	R26 893
	R000	R000	R000
Net profit before tax	60 297	58 040	118 337
Net profit after tax	48 454	47 371	95 825
Capital expenditure	25 686	24 930	50 618
Dividends	21 397	—	21 397

Western Areas

Western Areas Gold Mining Company Limited
Registration number 95/0320/008

	Quarter ended	Quarter ended	Quarter ended
	31.12.92	30.09.92	31.12.92
Ore milled: tons (000)	530	545	1 075
Yield: grams per ton	6.22	5.84	6.03
Working cost			
- per ton milled	R201.78	R193.87	R197.77
- per kilogram produced	R22 447	R23 175	R22 805
	R000	R000	R000
Net profit before and after tax	8 953	8 076	17 029
Capital expenditure	5 948	4 552	10 500

H. J. Joel

H. J. Joel Gold Mining Company Limited
Registration number 95/01 95/008

	Quarter ended	Quarter ended	Quarter ended
	31.12.92	30.09.92	31.12.92
Ore milled: tons (000)	214	250	464
Yield: grams per ton	6.27	5.83	5.93
Working cost			
- per ton milled	R201.42	R187.52	R193.93
- per kilogram produced	R22 119	R23 295	R22 721
	R000	R000	R000
Net profit before and after tax	5 166	775	5 941
Capital expenditure	5 699	8 927	14 626

All figures are unaudited. Quarterly reports have been mailed to the shareholders of each company. Copies of the reports may be obtained from Barnato Brothers Limited, 99 Bishopsgate, London, EC2M 3XE.

Johannesburg
20 January 1993

U.S. \$50,000,000

Hyosung (America), Inc

(Incorporated with limited liability in the State of New York, U.S.A.)

Guaranteed Floating Rate Notes due 1996

For the three month interest period 19th January, 1993 to 19th April, 1993 the Notes will carry an interest rate of 3/4 per cent per annum, with a Coupon Amount of U.S. \$484.38 per U.S. \$50,000. Note, payable on 19th April, 1993.

Listed on the Luxembourg Stock Exchange

KDB Asia Limited
Hong Kong Agent Bank

HMC MORTGAGE NOTES 5 PLC

£150,000,000
Class A
and
£7,500,000
Class B

Mortgage Backed Floating Rate Notes due July 2000

Notice is hereby given that for the Interest Period from January 18, 1993 to April 18, 1993 the Class A Notes and Class B Notes will carry interest rates of 7.275% and 8% respectively. The interest payable on the relevant interest payment date, April 16, 1993 for the Class A Notes will be £1,758.97 and for the Class B Notes will be £1,628.77 per £100,000 nominal amount.

By: The Chase Manhattan Bank, N.A.
London, Agent Bank
January 20, 1993

FLASH LIMITED SERIES B

U.S. \$30,200,000
Secured Floating Rate Notes
Due 1993

In accordance with the conditions of the notes, notice is hereby given that for the six-month period 20th January 1993 to 20th July 1993 (381 days) the notes will carry an interest rate of 3.66313% p.a. Relevant interest payments will be as follows:

Notes of U.S. \$100,000
U.S. \$1,841.74 per coupon.
THE SANWA BANK LIMITED
Agent Bank

EGYPT

With the country's economic reforms continuing apace, on the 15th April, 1993 the Financial Times will be publishing a major new survey on Egypt.

If you would like to advertise within this survey contact:

Paul Maravaglia
Tel: 071-873 3447
Fax: 071-873 3595

FT SURVEYS

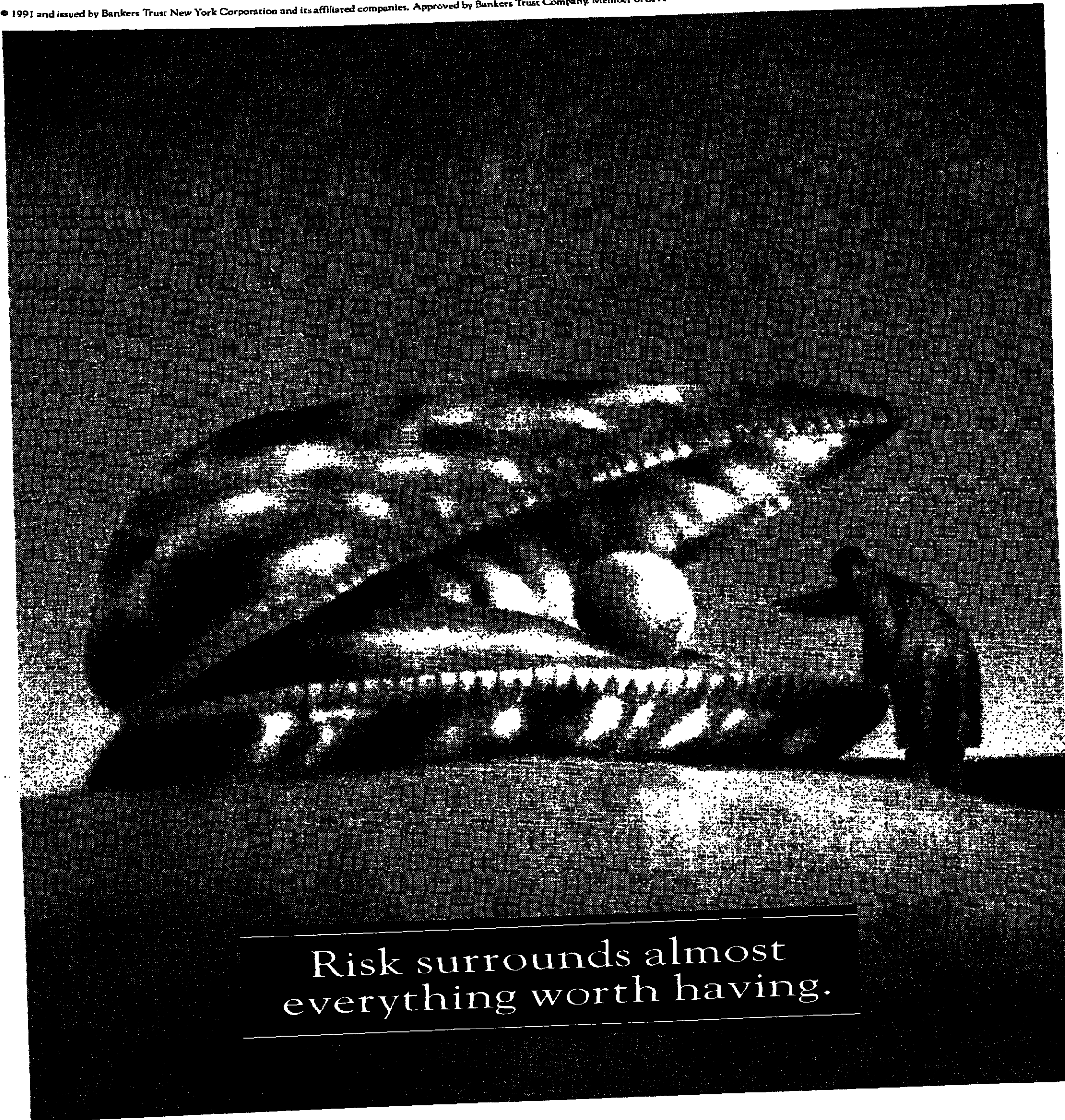
Appointments

Advertising
appears every
Wednesday & Thursday

Friday
(International edition
only)

مركز الأعمال

© 1991 and issued by Bankers Trust New York Corporation and its affiliated companies. Approved by Bankers Trust Company, Member of SFA



Risk surrounds almost everything worth having.

Maybe you're building cars. Maybe you're building buildings. Between you and your corporate goals lies a complex set of risks.

Manage the risk, and you'll prosper. Ignore it, and you won't. Managing a business is almost wholly a matter of managing risk.

Here, Bankers Trust can help. Our whole enterprise is dedicated to helping clients shed risk that can hurt them. And assume risk by which they can profit.

We're not just talking traditional risk: currency,

interest rates, commodity prices.

But if your market share is menaced by imports, we'll help you neutralise that threat. If your pension funds are lagging their liabilities, we'll help you fix that, too.

Surprised? Don't be. Our unique strength is managing virtually every type of global risk.

So go for the things worth having. Bankers Trust can help put them well within your grasp.

Bankers Trust
LEAD FROM STRENGTH.

INTERNATIONAL COMPANIES AND FINANCE

Chase Manhattan advances 23% over year in wake of staff cuts

US banks' recovery trend continues

By Alan Friedman
in New York

THE RECOVERY trend among big US banks was underscored by improved fourth-quarter and full-year 1992 results from Chase Manhattan and Chemical Bank in New York, Banc One in Ohio and Wells Fargo in California.

Net profits at Chase Manhattan, the New York bank that has been cutting staff and restructuring operations, were 23 per cent higher at \$63m, or \$3.46 per share, for the whole of 1992.

The earnings were up despite bad debt provisions that rose to \$1.22bn for the year from \$1.09bn in 1991.

Fourth-quarter net income was \$169m, or 87 cents, against \$135m, or 80 cents, last time. Provisions for the quarter were \$305m, down from \$315m a year earlier.

Net loan write-offs for 1992 were \$1.27bn, against \$1.93bn in the previous year, while write-offs on US commercial property loans were \$453m, compared with \$377m last time.

Chase said it reduced its commercial property loan exposure in the US to \$6.7bn in 1992, from \$8.6bn at the end of 1991.

The bank's earnings last year were helped by net inter-

New chief for Canadian bank

Bank of Nova Scotia yesterday named Mr Peter Godsoe chief executive officer in place of Mr Cedric Ritchie, who has held the job for the past 21 years, writes Bernard Simon in Toronto. Mr Ritchie, aged 65, remains the longest-serving chairman among Canada's big six banks. He is likely, however, to relinquish this post in time to Mr Godsoe, who was previously the bank's president and chief operating officer. Mr Godsoe, aged 56, has been with the bank since 1968.

est revenues of \$3.6bn, up from \$3.4bn in 1991.

Chase's common equity-to-assets ratio was 5.25 per cent at year-end, up from 4.36 per cent a year earlier. The return on assets was 0.64 per cent, against 0.52 per cent in 1991.

Chemical Banking had its first full year of operations since the merger of Chemical and Manufacturers Hanover Trust. It achieved fourth-quarter net income of \$304m, or \$1.09 a share, compared with a \$430m (\$3.49 a share) loss in the same quarter of 1991, or up by 48 per cent when compared to the 1991 quarter's profit before merger-related restructuring charges.

For the whole of 1992, Chemical's net profit was a healthy \$1,086bn, or \$3.90, against \$154m, or 11 cents, in 1991 after the restructuring charges and 39 per cent higher with the

1991 charge stripped out. Mr John McGillicuddy, chairman, said the strong earnings "clearly validate the merger".

Chemical's bad debt provisions in 1992 were \$1.365bn, little changed from \$1.345bn in 1991. Total loan write-offs, excluding less-developed countries' debt, were \$1.365bn, against \$1.91bn in 1991.

The bank's common equity-to-assets capital ratio was 5.7 per cent at year-end, up from 4.1 per cent in the previous year. The tier one measure used by regulators was 7.2 per cent, up sharply from 5.1 per cent at the end of 1991.

In Ohio, the Banc One Corporation offered showed it was able to turn in solid profits even as it continued to make acquisitions. The fourth-quarter 1992 net profit was \$193.1m, or 81 cents, up by

37.7 per cent from \$151.2m, or 65 cents.

Bad debt provisions were \$114.3m in the quarter, down from \$171.9m in the same period of 1991. The provisions level was slightly higher for the year, at \$510.6m, against \$502.7m. For the whole of 1992 Banc One had \$781.3m, or \$3.28 per share, of net profits, a rise of 32 per cent on the 1991 net.

Banc One's 1.34 per cent return on assets in 1992 was nearly twice the industry average and its common equity-to-assets ratio of 8.1 per cent made it one of the best capitalised banks in the US.

Wells Fargo, the California bank that has been hit by commercial property loan problems, had net profits of \$253m, or \$4.44 per share, in 1992 against \$21m, or 4 cents, in 1991.

Earnings in the fourth quarter of 1992 were \$58m, or 83 cents, compared with a \$231m (\$4.59 a share) loss in the same period of 1991.

The bank's bad debt provision in the last quarter was \$300m, down from \$700m a year before.

Before the close on Wall Street, Chemical's share price was 4% higher at \$42; Chase was 5% lower at \$30; Banc One was \$1 higher at \$24; Wells Fargo was \$9 higher \$85.

Bethlehem splits plants into separate businesses

By Martin Dickson
in New York

BETHLEHEM Steel, the second-largest US steel manufacturer, is splitting its two large plants into separate business units in order to make them more financially accountable and to bring them closer to their customers.

The move is a significant departure for a company which has a reputation as one of the more conservative of America's integrated steel manufacturers.

It is one of the first initiatives by the company's new chairman, Mr Curtis Barnette, who was formerly Bethlehem Steel's senior vice-president.

Mr Barnette took over as chairman late last year on the retirement of Mr Walter Williams.

The new units are based on the company's two flat rolled steel plants at Burns Harbor, Indiana, and Sparrows Point, Maryland. The two plants together produce some 7.5m tons of steel a year. Each will now be responsible for its own marketing, operations and financial performance.

As part of the move, Bethlehem's product marketing operations, run from group headquarters in Bethlehem, Pennsylvania, will be split between the two units.

The move will make Bethlehem's structure similar to that of low-cost mini-mills.

The mini-mills, which make steel from scrap metal, have made substantial inroads over the past 20 years into markets once dominated by the integrated manufacturers.

Mr Barnette said "major benefits of the business unit structure include improved customer focus, responsiveness, speed of decision-making, employee commitment and business awareness."

"It places the responsibility for the success of the business in the hands of those at the division level."

Reynolds Metals posts \$152m loss

By Laurie Morse
in Chicago

REYNOLDS Metals, the diversified aluminium producer based in Richmond, Virginia, suffered a fourth-quarter loss of \$152.1m, or \$2.55 per share. For the full-year, the deficit was \$748.8m, or \$12.56 a share.

The losses reflect previously announced after-tax charges for environmental and restructuring costs and for changes in benefits accounting.

Without the special items, the company said it would have reported net income of \$1.29 per share for the year, including 8 cents per share in the fourth quarter for tax benefits related to Canadian debt restructuring.

In 1991, the company earned \$23.7m, or 40 cents per share, in the fourth quarter.

Sales for the 1992 fourth quarter were \$1.35bn, compared with \$1.45bn in the corresponding period of 1991.

Mr Richard G. Holder, chairman, said continuing world oversupply of aluminium and depressed prices led him to expect another loss in the first quarter and "gradual improvement thereafter".

Eastman Kodak to shed 2,000 workers

By Martin Dickson

EASTMAN KODAK, the photographic products company which has recently unveiled steps to improve its lacklustre earnings record, yesterday announced further action in its core imaging business which will lead to the loss of some 2,000 jobs.

Mr Kay Whitmore, chairman, said this was part of a plan for the group's three business groups - imaging, health and chemicals - which was designed to deliver "positive cash flow and a solid increase in operating income" in 1993.

The most urgent action would be in imaging, where 1992 operating earnings would fall short of plan, and would include cancellation of some research and development projects; a reduction in infrastructure costs; and scrutiny of capital spending.

Equipment manufacturing operations in Germany would

be consolidated and the company would study its manufacturing sides around its headquarters in Rochester, New York state.

The job cuts will be concentrated in Rochester and will be largely compulsory. The company employs 133,000 people worldwide, of whom around 77,000 are in the US.

Mr Whitmore said the costs associated with the job cuts would be more than made up by the end of this year, and the overall programme would lower net costs by more than \$200m in 1993.

In a letter to shareholders, he said 1992 earnings per share were expected to show a moderate increase over 1991, with restructuring charges removed from both years, and cash-flow would be strongly positive.

However, earnings would be helped by one-time gains from asset sales and "on an operating basis, our performance in 1992 was not satisfactory."

Smith Corona halves income in second term

By Karen Zagor in New York

SMITH Corona, the US maker of portable typewriters, which is 48 per cent owned by Britain's Hanson group, yesterday posted second-quarter operating income of \$5.2m, compared with \$10.8m a year earlier.

Net income stood at \$4m, or 13 cents a share, compared with \$7m, or 23 cents, the previous year, while sales fell 22 per cent to \$86.7m from \$111.7m.

Mr Lee Thompson, chairman and chief executive, said the company was encouraged by signs of improving US retail sales and reduced retailer inventory levels in spite of the decline in sales during the quarter.

"While it is too early to

determine if the recent improvement in retail activity will be sustained, we are encouraged by these recent trends as well as the enthusiasm and upbeat mood at the recent Winter Consumer Electronics Show," he said.

For the six months to December 31, the company suffered an operating loss of \$1.8m, compared with operating income of \$17.3m the previous year.

In the first half, it recorded a net deficit of \$1.1m, or 4 cents, including restructuring charges of \$9.5m largely related to moving its manufacturing facilities to Mexico.

A year earlier, the company had no restructuring costs and net income stood at \$11.1m, or 37 cents. Sales for the first half slid to \$188m from \$198.9m.

Canadian airlines face warning

By Bernard Simon in Toronto

THE Canadian government has threatened to step in if the country's troubled airlines fail to take firmer action to reduce their chronic excess capacity.

The warning from Mr Jean Corbett, the transport minister, follows a decision by Canadian Airlines International to restate some flights which it earlier planned to cut.

Canadian's change of heart, which will reduce its cuts from 15 per cent to 5.7 per cent of capacity, was in response to a cutback of only 3 per cent by its arch-rival Air Canada.

The struggle between Air Canada and Canadian has been exacerbated by the entry of National, a small Montreal-based charter airline, into some of the two leading carriers' busiest routes. All three have introduced cut-throat fares between Toronto and Montreal in recent weeks.

A ministry spokesman declined to provide details on the action being contemplated to reverse deregulation, introduced in 1987. "We would like the industry to self-discipline itself," he said. "But if we find they're not capable of doing so, we may jump in."

AHP rises 7.9% in fourth quarter

By Karen Zagor

AMERICAN Home Products, the US pharmaceutical company, yesterday posted a 7.9 per cent rise in underlying pre-tax fourth-quarter earnings to \$500.1m from \$464m.

The adoption of new accounting standards contributed to a 3 per cent decline in AHP's net income for the three months, to \$361.6m, or \$1.16 a share, from \$372.6m, or \$1.18.

Sales in the quarter rose 10 per cent to \$2bn from \$1.82bn. For the full year, pre-tax income from operations advanced 10.2 per cent, to \$1.94bn from \$1.76bn.

Net income rose to \$1.46bn, or \$4.65, in the year, from \$1.38bn, or \$4.36. Full-year sales were up 11.1 per cent to \$7.57bn from \$7.08bn.

AHP said its effective tax rate, excluding a \$220m acquired research charge, had

increased to about 28.5 per cent from 22 per cent. It expects its 1993 effective tax rate to be 26 to 27 per cent.

During the year, pharmaceutical sales rose 14 per cent to \$4.59bn, although the rate of growth slowed to 13 per cent for the year.

Sales in the consumer health care segment were 12 per cent higher for the year, at \$1.61bn, and 7 per cent higher for the quarter at \$393.5m.

IBM UK performs worse than parent for third year

By Alan Cane

IBM's performance in the UK was significantly worse than that of its parent for the third year in succession, reflecting the length and depth of the British recession.

IBM UK recorded losses in 1992 of \$616m (\$338.32m), equal to 16.4 per cent of revenues, while losses for the worldwide group amounted to 7.7 per cent of revenues.

Exports, traditionally a strong feature of the UK subsidiary, fell for the first time, underlining IBM's concern that the European market has turned down precipitously.

Sir Anthony Cleaver, IBM UK chairman, said there had been no recovery in the UK because of weak demand, especially for hardware, competitive pressures on margins and currency fluctuations.

He said: "We had the unusual situation where reductions in product costs were unable to keep pace with price trends in the market. Our export market was affected by similar factors."



Nick Temple: warned that 1993 would be another tough year

The group turned over \$3.75bn, 6 per cent down on last year's \$3.98bn. Home revenue fell by 6 per cent to \$1.6bn, compared to \$1.7bn, while exports of goods and services fell from \$2.28bn to \$2.14bn.

The operating loss was \$398m. Taking restructuring charges of \$218m into account, the group loss before taxes totalled \$616m, almost five

times the £124m loss in the previous year.

Mr Nick Temple, chief executive, who has been masterminding a far-reaching plan to return the company to profitability, said the company was being transformed from a general computing company to a consultancy and services-led business.

But he warned that 1993 would be another tough year. "Our overall manpower has been reduced by 21 per cent since 1990. This has been accompanied by a reduction in the number of UK sites."

"These actions have helped us to achieve a further overall expense reduction of 10 per cent in 1992 and will help us continue to achieve substantial reductions in 1993."

Salaries have been frozen and a further 1,000 jobs are expected to go at IBM UK this year. All the job losses will be made by voluntary redundancy or by attrition. Mr Temple confirms IBM UK now employs 13,834 people, compared with 14,909 at the end of 1991. See Lex, Editorial Comment

Shift in market depresses sales

By Louise Kehoe
in San Francisco

IBM yesterday presented a grim picture of its struggles to come to terms with fundamental shifts in the computer market.

Sales of IBM's key products - mainframe computers, large capacity data storage systems and minicomputers - all declined sharply, reflecting a broad market shift away from centralised computing toward networks of smaller computers.

Mainframe sales were down 12 per cent for the year, while sales of minicomputers fell by "a couple of points for the year in a softening market".

Personal computer sales were down by about 15 per cent for the year, despite a strong comeback in the fourth

quarter. One bright spot was the company's workstation business, which grew by about 30 per cent.

The product sales results reflect an industry-wide shift toward smaller, less expensive computers that carry lower gross profit margins. IBM said gross margins in the fourth quarter were "slightly below 40 per cent," with pricing pressure in the mainframe, data storage and PC sectors driving the decline.

PC profit margins improved in the fourth quarter, raising hopes that pricing pressures have eased, IBM said. But yesterday Compaq Computer, one of IBM's largest competitors in the market, announced price cuts of 12 to 16 per cent on its portable notebook PCs.

Hardware sales declined as a percentage of total revenues to

52 per cent for the year from 57 per cent in 1991.

This reflects a significant shift in the computer industry, and especially for IBM, toward services as a primary source of revenue and income. IBM said its software revenues rose 5.8 per cent for the year, to \$1.1bn. However, software revenues declined 10 per cent in the fourth quarter, largely because of lower sales of software for minicomputers.

Services, including consulting and systems integration, rose 31.7 per cent for the year to \$7.35bn. IBM sees this sector as a significant growth opportunity and is rapidly expanding its service operations worldwide.

Revenues from rentals and financing rose 11.9 per cent to \$4.68bn, but showed slower growth in the fourth quarter.

PaineWebber reports record profits

By Patrick Harverson
in New York

PAINEWEBBER, the US securities house, yesterday reported 1992 earnings 41 per cent higher at a record \$213.2m, despite a decline in fourth-quarter profits.

The drop in earnings during the final quarter to \$41.2m, down from \$46.9m in the same period of the previous year, disappointed investors, who marked down PaineWebber's stock price 8 1/2 to 9 1/2 per cent to \$205.8m, and asset management revenues, which

banking fell 13 per cent to \$85.5m, while income from principal trading slipped almost 4 per cent to \$105.5m, primarily a reflection of less favourable conditions in the financial markets.

At the same time, employee compensation and related expenses rose \$14.3m to \$347.6m.

Other areas of PaineWebber's business, however, posted strong gains in the final quarter, including brokerage commissions, which rose 8.3 per cent to \$205.8m, and asset management revenues, which

jumped 21 per cent to \$70.9m as more investors entrusted their funds with the company's fund managers.

The modest downturn in the final quarter could not take the shine off a year which PaineWebber's chairman, Mr Donald Marron, described as "outstanding".

Like the rest of Wall Street, the company reaped the benefits of buoyant stock markets, low interest rates, heavy inflows of investor funds into stocks, and record levels of corporate debt and equity issuance.

Kellogg improves 11.4% to \$675m

By Nikl Tall in New York

KELLOGG, the US cereal group, yesterday registered an underlying profits improvement of 11.4 per cent, at \$675.1m after tax, for 1992.

Sales rose by 7 per cent to \$6.19bn, or by 9 per cent if the effects of selling Fearn International, Kellogg's former food service subsidiary, are stripped out.

Kellogg's final figures, however, were muddled by a gain

on asset disposals and accounting changes. The net gain from asset sales was \$25.5m, but this was offset by a \$269.7m charge from the change in US accounting practice for non-pension post-retirement benefits.

As a result, Kellogg posted after-tax profits of \$431.2m for the year, down from \$606m in 1991, and earnings per share fell to \$1.81 from \$2.51.

During the fourth quarter, reported sales fell 1.7 per cent to \$1.42bn, but Kellogg said

this reflected the Fearn disposal.

Without this, sales would have risen about 4 per cent. Fourth-quarter profits from operations rose from \$118.2m to \$132.5m.

Mr Arnold Langbo, chairman, described the figures as encouraging, and said they reflected record cereal volumes. However, on Wall Street, Kellogg shares eased back by 1 1/4 to \$61 1/2 before the close.

AN INTERNATIONAL COMPANY BASED IN FRANKFURT IS SEEKING A DYNAMIC, YOUNG, PRESENTABLE:

• JUNIOR OFFICE MANAGER (FINANCIAL)

Minimum requirements for this position are:

- Degree in finance or related fields.
- Experience in international finance, banking and money markets.
- Fluency in English and German.
- No restrictions for travelling.
- Male candidates should have no obligations for military service.

Preferable additional requirements:

- Good relations with commercial centers and research institutes
- Fluency in any other European language.

• JUNIOR OFFICE MANAGER (PURCHASING)

Minimum requirements for this position are:

- Degree in marketing/management or related fields.
- Experience in purchasing and financial activities
- Fluency in English and German.
- No restrictions for travelling.
- Male candidates should have no obligations for military service.

Preferable additional requirements:

- Good relations with commercial centers and research institutes
- Knowledge and experience in purchasing wood and wood products
- Knowledge of banking procedures and money markets.
- Fluency in any other European language.

• ASSISTANT SECRETARY

Capable to be an assistant to a manager.

- Having a good command of English and German.
- Min 5 years experience
- Knowledge of all office machines, including computers
- Fluency in any other European language will be preferable.

Housing will be arranged for non Frankfurt residents. If you are seeking a challenging position with upward mobility, please send CV with a current photo to: Box A688, Financial Times, One Southwark Bridge, London SE1 9HL.

GOLD FIELDS OF SOUTH AFRICA LIMITED

(Incorporated in the Republic of South Africa)
(Registration No. 05/04191/06)

INTERIM REPORT

CONSOLIDATED INCOME STATEMENT

	*Six months ended 31 December 1992	*Six months ended 31 December 1991	Year ended 30 June 1992
	Rm	Rm	Rm
Revenue	116	123	289
Income from investments	1	1	1
Profit on realisation of investments	1	1	1
Income from fees, interest and other sources	104	108	215
	223	233	505
Expenditure	87	77	183
Administration, technical and general interest	80	54	105
Drilling and prospecting	7	5	12
Amounts written off investments	20	18	42
Profit before tax	136	156	322
Tax	12	15	27
Profit after tax	124	141	315
Preference dividends	6	138	13
Profit attributable to ordinary shares	118	128	302
Extraordinary item	116	134	303
	116	134	303

Earnings per ordinary share			
- cents	122	138	314
Dividends			
- per ordinary share - cents	70	70	200
- absorbing - Rm	67	67	182
- times covered	1.8	2.0	1.6

CONSOLIDATED BALANCE SHEET

	*At 31 December 1992	*At 31 December 1991	At 30 June 1992
	Rm	Rm	Rm
Fixed assets	78	80	78
Investments	2 175	2 028	2 063
Mineral properties	128	128	128
Loans advanced	163	155	176
Net current assets	508	547	588
Current assets	646	735	750
Current liabilities	138	188	182
	3 080	2 936	3 000
Ordinary share capital	1 057	1 053	1 057
Reserves	1 794	1 697	1 743
	2 851	2 750	

INTERNATIONAL COMPANIES AND FINANCE

Westpac continues search for new chief executive

By Kevin Brown in Sydney

SHARES in Westpac, the troubled Australian bank, closed 6 cents lower at A\$2.79 yesterday after the board failed to meet its self-imposed deadline for the appointment of a chief executive.

Mr John Uhrig, chairman, told the annual meeting that the board was still considering a small group of candidates to replace Mr Frank Conroy, who resigned in December after a boardroom row.

Mr Uhrig said 30 candidates had been contacted after an international search by a firm of executive headhunters. The shortlist is believed to be headed by Mr Lindsay Pyne, former chief executive of the Bank of New Zealand.

The announcement disappointed the financial markets, and exacerbated criticism from more than 6,000 shareholders at the biggest annual meeting ever held in Australia.

Several shareholders claimed the board was unable to correct Westpac's bad-debt problems, which caused the bank to record a record A\$1.5bn (US\$1.1bn) net loss for the year to the end of September.

Five directors, including the then-chairman, resigned in October following the failure of shareholders to support a A\$1.2bn rights issue, which closed 72 per cent under-subscribed.



John Uhrig: met barrage of abuse from some shareholders

However, there was no intervention at the meeting by Mr Kerry Packer, the entrepreneur and investor who resigned from the board last week after failing to force through a radical cost-cutting programme.

Mr Packer, proprietor of the privately-owned Consolidated Press Holdings publishing group, owns shares and options equivalent to about 10 per cent of Westpac stock.

Mr Uhrig said Mr Packer's resignation was "unfortunate". He added that the board "knows there is a need for drastic change," but directors would not proceed at a pace which would damage the bank. Mr Uhrig said Westpac's net

profit in the first quarter of the current financial year was in line with the result in the comparable period of the previous year.

However, the chairman warned shareholders that the bank's previously-announced restructuring plan, which includes up to 8,000 redundancies, would have a "short-term" cost.

Mr Uhrig apologised to shareholders for the board's "prudent" decision to cut the dividend from 24 cents to 18 cents.

However, he was subjected to a barrage of abuse from some shareholders, one of whom told the board: "I am here to apply the blowtorch to your bellies."

After eight hours' debate, the meeting was adjourned until next week.

An independent director proposed from the floor was elected on a show of hands, but is expected to be defeated in a formal poll.

● Advance Bank, a small Sydney-based bank which was formerly a building society, said interim net profits increased by 38 per cent to A\$28.4m in the six months to the end of November.

The directors increased the interim dividend by 6 cents to 20 cents, fully franked. Advance shares closed 26 cents higher at A\$6.36 on the Australian Stock Exchange.

JAL passes payout and warns of higher loss

By Charles Leadbeater in Tokyo

JAPAN Airlines, which last week announced a radical restructuring programme aimed at reversing pre-tax losses, forecast at Y50bn (\$398m) for the year ending March, yesterday announced that it would not be paying a dividend.

The airline said it expected to make a parent company net loss of about Y40bn for 1992-93. In November, JAL warned that parent company net losses for this year would total Y29bn.

JAL, which plans to cut investment by Y100bn and other costs by Y100bn in the coming year, said the rise in the net loss for the year was partly due to the cancellation of plans to sell securities and property due to weak asset prices.

The airline made a pre-tax loss of Y6.4bn last year.

It plans to cut back investment in new aircraft and hiring of ground staff.

Under the restructuring plan announced last week, investment between 1993 and 1997 will be cut back from Y1,600bn to Y1,000bn.

● JAL and All Nippon Airways have applied for new routes to Italy and China, Reuters reports. JAL is seeking to operate two return flights a week on its own from Tokyo to Rome via Milan. It currently operates the Tokyo-Milan-Rome route jointly with Alitalia of Italy. All Nippon has applied to operate three weekly return flights between Tokyo and Shanghai.

● Toyota Motor Sales USA is to invest more than \$75m to establish a new North American parts logistics division and will increase its use of US-sourced parts to 50 per cent by 1995, Reuters reports.

Curtain lifts on Indonesian drama

Astra affair sheds light on local conglomerates, says William Keeling

THE ownership crisis at Astra International, the company which dominates Indonesia's motor trade, has been a uniquely public brawl in a country which prefers to conduct its corporate dramas behind closed doors.

The resolution to the crisis, however, has been typically Indonesian, with the government forcing the Soeryadajayas, family, the company's founders, to sell Rp1,000m (\$64m) of shares to a 19-member consortium of corporate and institutional investors. It has also given an insight into how Indonesian conglomerates work.

In the past two months, Astra, Indonesia's second-largest company, has undergone a radical change in ownership.

In November, the Soeryadajayas owned 17.8m of the company's 242m shares. The remainder was split between the related Soeryadajaya family (6.5m), Mr Theodore Rachmat, Astra's president-director (4m), the International Finance Corporation (13m), the company's co-operatives (2m) and the investing public (38.5m).

The failure of the Soeryadajayas' privately-owned Bank Summa, owing Rp1,600bn, forced the family to sell Astra shares to raise finance.

Bank Summa's collapse resulted, say central bank officials, from excessive lending to other companies owned by the Soeryadajayas, which have been unable to service the loans.

After selling Astra shares in three separate tranches, brokers estimate the Soeryadajayas now hold just 12.4m Astra shares, with a further 20m shares held in escrow while negotiations for their sale continue with Toyota, Astra's main joint-venture partner.

State banks, trusts and pension funds have bought 66m shares from the Soeryadajayas, indicating the close relationship between the state and private business in Indonesia.

However, the main interest of investors and bankers to Astra, which has foreign loans and facilities of more than \$900m, has focused on the consortium of 16 businessmen, most from Indonesia's powerful Chinese community, which this week bought 75m shares from the Soeryadajayas.

Three businessmen formed the heart of the consortium, buying 30m shares: Mr Pradjono Pangestu, who runs the Barito Pacific timber group; Mr Liem Sioe Liong, principal shareholder in the Salim Group, Indonesia's largest conglomerate; and Mr Henry Pribadi, head of the Napan Group.

The three men's business interests, as with many of Indonesia's top conglomerates, often intertwine.

Their decision to buy into Astra also provides a clue to a possible future investor in the company if, as government ministers insist, state-owned Bank Exim and Bapindo seek a

buyer for their 20m shares. Bankers draw a parallel between Astra's problems and earlier occasions when major Indonesian businesses were on the point of collapse.

In 1990, bankers say, Mr Pangestu and Mr Liem co-ordinated the rescue of Bank Duta, majority-owned by three charitable foundations chaired by President Suharto, after it suffered \$419m in foreign exchange losses.

More recently, the two businessmen and Mr Pribadi have played a key role in Indonesia's nascent petrochemicals and plastics industry.

Mr Pangestu's Barito Pacific has been diversifying away from its core timber business, which includes more than 5m hectares of forestry concessions and plywood exports which in 1991 exceeded \$600m.

Two years ago, however, it formed a consortium with the Bimantara Citra, run by Mr Bambang Trihatmodjo, President Suharto's second son, and Mr Pribadi's Napan Group to invest in the \$1.65bn Chandra Asri petrochemical plant in West Java.

Barito, Napan and Bimantara are also joint-venture partners in PT Tri Polya, which manufactures polymer resin in West Java.

Tri Polya's polymer resin is the main input for Argha Karya, a recently-listed com-

pany which produces plastic wrapping film, the main shareholders of which are Napan and Mr Liem's Salim group. The Salim group and Mr Henry Liem, nephew to Mr Liem, also hold a direct stake in the Napan group, whilst Mr Pribadi is on the board of Indocement.

Brokers expressed surprise that, given mutual business interests, the Bimantara group was not in the consortium buying a stake in Astra.

Brokers stress that, despite the companies' close connections, they are competitors. Joint ventures are favoured as a means of spreading risk and because they allow conglomerates to cross-lease through their subsidiary banks, brokers say.

Cross-leasing allows conglomerates to undertake capital intensive projects, while keeping within central bank limits on internal lending. It was just these limits which Bank Summa broke with such devastating consequences for the Soeryadajaya family.

Gold Fields' profits fall by 11%

By Philip Gawth in Johannesburg

GOLD Fields of South Africa (GFS) saw profits fall by 11 per cent in the six months to December.

The results were in line with expectations and represented a creditable performance under very difficult circumstances, the company said. It expected

earnings to remain under pressure, with little prospect of any short-term improvement in depressed commodity prices.

Income from investments fell by 6.5 per cent to R115m (\$37.4m) from R123m, while income from fees, interest and other sources dropped to R104m from R108m.

Pre-tax profit was 12 per cent lower at R136m and attribut-

able profit fell to R118m from R133m. The dividend was maintained at 70 cents per share on earnings which fell to 123 cents from 138 cents in 1991.

The majority of GFS's assets are in commodities - principally gold, lead, copper and zinc, as well as the developing platinum mine, Northern, which opens tomorrow.

Goodman Fielder buys 50% of Taiwan group

By Kevin Brown

GOODMAN Fielder, the Australian food giant, is to buy a 50 per cent interest in Goody Foods, a privately-owned Taiwanese manufacturer of frozen Chinese pastry products.

Goodman (formerly Goodman Fielder Wattle), would not reveal the purchase price, but

the deal is believed to be worth more than A\$20m (US\$15.5m).

Goody Foods, established in 1979 by Mr Hector Yeh, controls about 25 per cent of the A\$170m Taiwanese market for flour-based prepared foods. Goodman said it expected the market to be worth A\$500m a year by 2000.

Goody employs about 700 in two factories producing six

product lines under Dragon and Phoenix brands.

Its products are also sold in Japan, Korea, Europe and the US.

Mr Michael Nugent, Goodman chief executive, said Goody was "a very good fit" with Goodman's cereal-based businesses.

He said the investment would enhance the group's

knowledge of Asian markets.

"Goody Foods' excellent distribution network also offers opportunities to market Goodman Fielder products in Taiwan. In addition, this venture will offer a good bridge to the Chinese market," Mr Nugent said.

Goodman has said it planned to spend A\$200m on expanding its Asian operations.

Anglovaal Group

Mining companies' reports - Quarter ended 31 December 1992

Hartebeestfontein Gold Mining Co Ltd

Reg. No. 253002006

Issued capital: 112 000 000 shares of 10 cents each

Quarter ended 31 December 1992

Six months ended 31 December 1992

Operating results

Gold

Ore milled

Gold recovered

Yield

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Hartebeestfontein Gold Mining Co Ltd (continued)

Reg. No. 253002006

Issued capital: 112 000 000 shares of 10 cents each

Quarter ended 31 December 1992

Six months ended 31 December 1992

Operating results

Gold

Ore milled

Gold recovered

Yield

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Hartebeestfontein Gold Mining Co Ltd (continued)

Reg. No. 253002006

Issued capital: 112 000 000 shares of 10 cents each

Quarter ended 31 December 1992

Six months ended 31 December 1992

Operating results

Gold

Ore milled

Gold recovered

Yield

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Hartebeestfontein Gold Mining Co Ltd (continued)

Reg. No. 253002006

Issued capital: 112 000 000 shares of 10 cents each

Quarter ended 31 December 1992

Six months ended 31 December 1992

Operating results

Gold

Ore milled

Gold recovered

Yield

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Revenue

Costs

Profit

Lodine Gold Mines Ltd

Reg. No. 050938008

Issued capital: 16 396 966 shares of R1.00 each

Quarter ended 31 December 1992

Six months ended 31 December 1992

Operating results

Gold

Ore milled

Gold recovered

INTERNATIONAL CAPITAL MARKETS

Sanyo to reduce workforce by one-third

By Robert Thomson in Tokyo

SANYO Securities, one of Japan's troubled second-tier brokers, yesterday said its workforce would be cut by about one-third this year, and may be further reduced if the stock market does not recover.

The confirmation by Sanyo of a continued restructuring highlights the extreme pressure on the 10 second-tier brokers, which have all reported losses for the first half to September and are generally expected to report larger losses for the full year.

The Nikkei stock average in Tokyo lost 26.4 per cent of its value last year, while the daily average volume on the first section was 264.5m shares, the lowest since the 238m shares of 1977 and a quarter that of 1988.

Prices and turnover have remained weak on the Tokyo market in recent weeks, and Sanyo is aiming to reduce its workforce, which was 4,270 last April, to 3,000 by March 1994.

Another 150 administrative staff will be transferred to the sales division in coming months.

"We are asking for the continuing support of our three main banks, Bank of Tokyo, Daiwa Bank, and Nippon Credit Bank," a Sanyo spokesman said.

"We don't want to sack people. The reductions will be done through attrition," he added.

Sanyo lost ¥29.5bn (\$235.5m) last year, and Japanese financial industry analysts estimate that the broker will lose about ¥40bn this year, prompting expectations of more severe cuts in the workforce and in its branch network later this year.

The broker has come in for particular attention because it has been the world's largest securities trading room during the so-called "bubble" years of the late 1980s, and saw itself as challenging the big four brokers, Nomura, Daiwa, Nikko and Yamachi, for market share.

Two five-year dollar offerings find favour with investors

By Tracy Corrigan and Brian Bollen

A FURTHER deluge of paper hit the Eurobond market yesterday, despite the fact that some areas of the market are overloaded due to the heavy supply so far this year.

INTERNATIONAL BONDS

The dollar market remains in good shape, having largely avoided the oversupply and aggressive pricing apparent in some other sectors. In addition, the depth of demand for dollar bonds, with European investors increasingly positive on the currency, has meant that paper has been quickly absorbed.

Two five-year offerings - a \$300m deal for General Electric Capital Corporation arranged by Swiss Bank Corporation and a \$250m issue for Nippon Telegraph & Telephone via Merrill Lynch - were quickly snapped up by investors. Both deals carried coupons of 6 per cent and were considered fairly priced to yield 25 basis points and 24 basis points respectively.

However, the deal benefited from being SmithKline's first Eurobond offering, since the name is well-known by both UK and continental European investors.

The proceeds of the issue were swapped into floating-rate dollars, and will be used to refinance US commercial paper. The financing met

over the comparable US Treasury.

Two more borrowers tapped the Eurobond market yesterday, despite signs that investor interest is becoming more selective. According to dealers, as much as half of last week's supply, totalling close to \$700m, is yet to be placed.

However, SmithKline Beecham's \$100m five-year issue managed to catch investors' attention, even though the pricing was considered on the tight side, with a spread of 75 basis points over the five-year gilt. In common with most of last week's five-year paper, the issue matures towards the end of 1998. Due to the steepness of the yield curve, the spread appears more generous when compared with the five-year benchmark gilt, which matures in March 1998.

However, the deal benefited from being SmithKline's first Eurobond offering, since the name is well-known by both UK and continental European investors.

The proceeds of the issue were swapped into floating-rate dollars, and will be used to refinance US commercial paper. The financing met

SmithKline's target for five-year funding of 7½ basis points above the London interbank offered rate, according to a company official.

A \$100m issue of 10-year bonds for Norsk Hydro, Norway's largest company, was considered more difficult to place, due to credit concerns exacerbated by the long maturity. However, although Norsk Hydro's debt rating has fallen to A3 by Moody's and A- by Standard and Poor's, the fact that the company is 51 per cent owned by the Norwegian government reassured some investors.

Dealers said the steep yield curve has encouraged yield-hungry investors to buy long-dated bonds, but added they were generally focusing on slightly stronger credits. The deal was priced to yield 115 basis points over the 10 per cent gilt due 2003 and swapped into floating-rate sterling.

Elsewhere, the Asian Development Bank's expected \$500m issue via IBJ International met strong demand, particularly in Asia. The deal, priced to yield 50 basis points over the comparable JGB, was the first 10-year offering since last March,

which had created pent-up demand for a new 10-year benchmark.

In the D-Mark sector, the Republic of Turkey returned to the market for the first time since last July, with a DM400m, seven-year, 9½ per cent issue through DG Bank.

Bankers said the spread looked fair at around 255 basis points over German government bonds and the bonds sold well. Given the widespread expectation that Germany will cut its interest rates, the high yield proved attractive to retail investors.

The buyers targeted included the large Turkish community in Germany and banks which will swap the bonds for floating rate assets (a process known as asset-swapping).

The Council of Europe's DM200m issue also showed reverse floating-rate notes for quality names can still find demand, in spite of the large volume of recent issues, said bankers. The initial coupon looked attractive at 8½ per cent for the first two years, although the terms for the final eight years of 13 per cent minus six-month Libor look less so.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
US DOLLARS						
GECC	300	6	101.75	Feb. 1998	1½/16%	Swiss Bank Corp
NTT	250	6	99.25	Feb. 1998	2½/16%	Barclays Bank
Sekisui House (A/E)	200	2.5	100	Feb. 1997		IBJ International
YEN						
Asian Development Bank	50bn	5	99.65	Feb. 2003	32½/20bp	DG Bank
D-MARKS						
Republic of Turkey	400	9.5	102.5	Feb. 2000	2½/16%	Trnhauss und Burkhart
Council of Europe	200	10	102.5	Feb. 2000	2½/16%	Barclays Bank
Holsten Paper Mills (A/E)	100	4	102.5	Feb. 1997		Barclays Bank
FRENCH FRANCS						
KW International Finance	2bn	7.75	99.2	Feb. 1998	25/12½%	CCF
Rhône-Poulenc (A/E)	1bn	8.75	103.116	Nov. 2003	1½%	Crédit Lyonnais
Crédit Lyonnais	500	8.75	103.116	Nov. 2003	1½%	Crédit Lyonnais
STERLING						
Norsk Hydro	100	9.75	100.335	Feb. 2003	2½/16%	Hambros Bank
Sekisui House (A/E)	100	8.125	100.335	Nov. 1998	30bp	NatWest Cap Mkt
CANADIAN DOLLARS						
Crédit Local de France	200	7.875	101.225	Aug. 1998	1½/16%	Lehman Brothers Int.
Kreditbank Int. Finance	125	7.875	101.225	Mar. 1998	1½/16%	Kreditbank Int. Group
FINANCIAL FRANCES						
Sekisui House (A/E)	200	2	100	Feb. 1997		IBJ International

Final terms and non-callable unless stated. *Private placement. **With equity warrants. ***Floating rate note. a) Final terms fixed on 25/1/93. b) Coupon pays 6¼% fixed annual for first 2 years and 13½% 6-month Libor thereafter. c) Final terms fixed on 25/1/93. d) Fungible with FF1bn launched on 5/1/92. Plus 22 days accrued interest.

Bankers were surprised at the appearance of Rhône-Poulenc's re-opening of a FF1bn issue launched last November and disappointed with its terms. They had expected it to be postponed after the French government announced on Monday it would continue the group's "on-off" privatisation by selling 6m of its shares.

Lead manager BNP agreed the terms were more aggressive than those set on the existing issue, but that the issue was targeted specifically at French retail demand. The bonds, launched at a spread of 68 basis over comparable French government bonds, ended the day trading at a spread of around 72 basis points, by contrast.

By contrast, the FF2bn five-year issue for KfW International Finance was well received, despite its aggressive terms. The issue, arranged by Crédit Commercial de France, broke syndicate quickly and traded at its launch spread of 23 basis points over government bonds.

Bond prices recover as Bonn closes withholding tax legal loophole

By Antonio Sharpe and Sara Webb in London and Patrick Harverson in New York

GERMAN government bond prices fell on confusion over who would be affected by the government's plans to extend its withholding tax on interest income.

However, bond prices recovered once it became clear Bonn

GOVERNMENT BONDS

was closing a legal loophole by extending its 30 per cent withholding tax on investment income to include earnings received in Germany from foreign funds. The move was seen as part of the "solidarity pact" to finance the reconstruction of eastern Germany.

The Liffe March futures contract fell to a low of 93.02 when the tax news hit the screens, but recovered to stand virtually unchanged on the day at

93.20 in volume of 55,445 lots. News that Treuhandanstalt, the agency charged with privatising industry in eastern Germany, was to launch a new bond on January 26 had little impact on the market. There was speculation the new issue would be in the 10-year area and could raise up to DM10bn.

UK government bond prices bounced back from their lows after the Bank of England revealed its forthcoming gilt auction would be smaller than had initially been expected. The gilt market closed higher on the day as a result, with the Liffe gilt future contract rising from its opening of 99.17 to trade at 99.25 by late afternoon.

The Bank said it would auction £2.5bn of the 8½ per cent gilt due 2007 on January 27. The auction stock will be partly paid, with 30 per cent due on February 22 and the final 30 per cent payable on April 15.

The government has forecast

a Public Sector Borrowing Requirement of £37bn for 1992-93, but estimates of the amount of funding that remains to be done this year vary according to calculations concerning the Bank's intervention to support sterling.

Mr Iffy Islam, economist with BZW, estimates only £500m of funding remains to be done in 1992-93 taking the forthcoming auction into account and using an intervention figure of £13bn.

DUTCH government bonds closed unchanged after a 10 basis-point cut in the special advances rate to 8.40 per cent, made possible by the guilders' strength and the country's inflation rate. The Ministry of Finance closed the tap on its new 7 per cent state bond due 2003, having raised a total of £10bn, in line with market expectations.

SPANISH government bonds recovered from a bout of profit

FT FIXED INTEREST INDICES

	Jan 19	Jan 18	Jan 15	Jan 14	Jan 13	Year ago	High	Low
GovtSecs(UK)	93.28	93.44	93.50	93.49	93.43	87.26	95.54	85.11
Fixed Interest	108.74	108.75	108.87	108.89	108.91	100.14	110.26	97.15
Totals: 100% Government Securities 10/12/08 Fixed Interest 10/08								
for 100/03, Government Securities high since 10/03, Fixed Interest 10/03, low 4/9, 3/9 1/75								
Fixed Interest high since compilation: 11/06 (12/1/03), low 30/3/75 (2/7/75)								
GILT EDGED ACTIVITY								
Indices*	Jan 18	Jan 17	Jan 16	Jan 14	Jan 13	Jan 12		
UK Edged Corporate	115.0	96.2		98.7	98.2	90.8		
5-Day average	99.3	97.0		95.8	97.1	95.3		

Berkeley profit on share deal

By Andrew Taylor,
Construction Correspondent

BERKELEY Group, the house-builder, made a profit of about £33,000 in just a few hours yesterday after it was revealed that the group had bought and sold 300,000 shares in rival construction group Higgs & Hill.

Berkeley in a few weeks either side of Christmas quietly acquired a 0.7 per cent stake in Higgs & Hill at prices thought to be between 37p and 39p.

The group yesterday disposed of this stake at more than 50p after details of its purchases were disclosed by Higgs & Hill directors.

Mr Tony Pidgley, Berkeley's managing director, said that it had sold the shares, acquired as a trade investment, to avoid its intentions being misinterpreted.

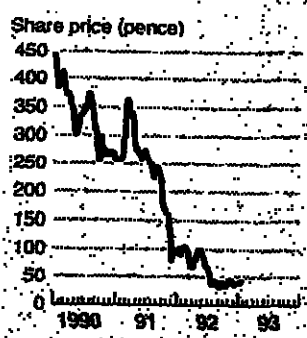
Three years ago Higgs & Hill was subjected to a bitterly con-

tested and unsuccessful £167m takeover bid from VJ Lovell. Mr John Theakston, Higgs & Hill chief executive, said: "We felt we had to make an announcement yesterday to protect our shareholders from selling their shares too cheaply to what could have been another potential bidder working in the same sector."

"We first became aware of the purchases at the beginning of last week and Berkeley was still buying shares as late as last Friday. This was followed by a 5p rise in our share price to 43p on Monday. As a result we were under pressure from the Stock Exchange to make a statement."

Higgs & Hill's shares have fallen from more than 100p a year ago and from more than 400p three years ago. Last night the shares closed at 49p, which Mr Theakston said compared with a book net asset value of £2 a share at the end

Higgs & Hill



of December. Berkeley has performed well during the recession. In the six months to October 31 it raised pre-tax profits by 27 per cent to £6.92m and increased its interim dividend by 10 per cent. Higgs & Hill however, saw first half profits decline from £1.06m to £0.75m and cut



Tony Pidgley: realised Higgs & Hill was undervalued

its dividend from 6p to 1p. Mr Pidgley said that the company became interested in Higgs & Hill after it sought to place some contracts with the company and realised it was undervalued.

Berkeley's share price rose yesterday from 314p to 318p. See Lex

Hearing begins over proposed Costain sale

By Nikki Tall in New York

A COURT hearing began yesterday in St Louis, Missouri, over the proposed \$245m (£161m) sale of Australian coal mining assets by Costain, the British construction company, to Altus Finance, part of the French Credit Lyonnais group.

The transaction is being opposed by Hanson, the UK-based conglomerate, whose Peabody subsidiary had originally agreed to purchase the Costain coal-mining assets for \$300m.

Costain intends to use the sale proceeds to reduce borrowings of more than £340m, including off-balance sheet finance, which compares with shareholders funds of £276m at the end of 1991.

Peabody filed a suit against Costain in November, alleging that the seller had given the Hanson subsidiary exclusive negotiating rights to the assets. On December 31, Judge Stephen Limbaugh, in St Louis, granted a preliminary injunction against Costain, prohibiting it from proceeding with the sale to Altus. The trial for a permanent injunction commenced yesterday.

Shares lose 39p as Eurocamp is cautious about 1993

By Maggie Urry

A CAUTIOUS statement from Eurocamp, the self-drive camping holiday specialist, cut 39p off the shares which closed at 307p yesterday.

Eurocamp reported pre-tax profits of \$9.4m for the year to October 31, 15 per cent higher than pro forma profits of \$8.16m the previous year, and compared with actual profits of \$8.94m. Eurocamp went public in July 1991, raising £24.8m, at a price of 225p.

Mr Tom Neville, chairman, said: "Our early booking returns for 1993 for our UK businesses have to date fallen below normal expectations." Bookings through the Dutch and German operations, which contributed 37 per cent of bookings in 1992, were better.

Mr Richard Atkinson, managing director, said that the UK market had been slow but

had firmed up recently. He said booking patterns were changing with people delaying bookings. Normally about 75 per cent of the group's bookings are made by the end of February. A statement about bookings would be made at the annual meeting in March.

Turnover last year rose by 25 per cent to £61.3m, with the number of bookings rising 19 per cent. Operating profits were up 11.6 per cent to \$9.6m, as lower margin parts of the business performed better, although margins in each segment were held, Mr Atkinson said. Interest took £225,000 (£470,000 pro forma).

Mr Atkinson said sterling's devaluation last September would not affect costs in 1993 but would have a small impact in 1994. A large part of the costs are covered by revenue from the Dutch and German operations.

Earnings per share were 24.2p (21.1p pro forma) and a final dividend of 6.3p (5.5p) gives a total of 9.75p, up 14.7 per cent on the notional dividend for the previous year.

COMMENT

It is near impossible to predict current year profits at this stage, though by the AGM the picture should be much clearer. But yesterday's share price fall looks a touch overdone, especially given the results. Eurocamp is a much safer bet than the average tour operator, not dependent on last minute bookings and better able to tailor its costs to sales. Further it is in a growing niche of the market, and is expanding well on the Continent. Same again profits and earnings would give a reasonable p/e of 12.7. If the news is better in March the shares should have a run.

ICI continues its disposal programme

By Paul Abrahams

IMPERIAL Chemical Industries, the UK's largest manufacturer, yesterday continued its disposal programme with the sale of the Canadian fertilisers business, Nitrogen

Products

The business was sold to Terra Industries of Sioux City, Iowa. Terms were not disclosed. However, it is understood that the operations, which included a 430,000 tonne a year anhydrous ammonia

manufacturing plant in Sarnia, Ontario, and 32 farm service centres called Agromarts, were sold for more than £25m. In 1991, they had a turnover of about £115m.

Nitrogen Products and Agromarts, which supplied Ontario and neighbouring US states, employed about 550 staff.

In 1991, the group attempted to sell its domestic fertiliser business, with sales of £450m a year, to Kemira of Finland. However, the deal was blocked by the UK government.

Aminex agrees £2.75m for Tuskar Resources

AMINEX is to make an agreed offer for Tuskar Resources which values the company at about £2.75m. The offer is two ordinary Aminex shares for every 11 Tuskar shares.

Deals in Aminex 5p ordinary shares were temporarily suspended yesterday at 5p in London and in Dublin at the company's request.

The Aminex board said it would not proceed with the offer if Tuskar proceeds with its acquisition from Bula Resources of certain North Sea licence interests - principally a 0.90628 per cent interest in the Buchan Oil Field.

Aminex is urging Tuskar

shareholders to vote against the deal at the annual meeting. Aminex said the Buchan oil field was in decline and that abandonment liabilities attaching to the Buchan oil field's wells, platform and subsea pipelines when production ceased, were likely to become the responsibility of Tuskar in relation to the interest which it planned to acquire.

Aminex believes that its growth potential far exceeds Tuskar's prospects and consequently the offer does not include any premium element. It is an Irish registered oil exploration and production company incorporated in 1979.

Triplex Lloyd placing raises £23m

Triplex Lloyd, the industrial engineering group, has raised \$35m (£23.4m) through a private placement on the US capital market. The move, foreshadowed in December, effectively replaces its short-term borrowings with medium- and long-term debt.

The placement is in two tranches, both at fixed interest rates. The first is for \$35m and carries an interest rate of 7.35 per cent with maturity after seven years. The second is for \$10m at an interest rate of 8.21 per cent and a maturity of 10 years.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Current - pending dividend	Total for year	Total last year
Aim	1.5	Apr 15	1.5	-	6.5
Central Motor 5	3	Apr 2	3	4	4
Clayhill	0.75	Mar 8	0.75	-	2.5
Daejan Hidge	12	Mar 15	12	-	25
Davenport Vernon	2.5	Apr 2	2.5	4	4
Eurocamp	6.3	Apr 21	5.5	9.75	5.5
Eurotherm	5	Apr 9	4.7	8	7.2
First Philippine	0.2	Apr 6	0.95	0.2	0.95
Hawlin	0.88	Apr 6	0.88	0.88	0.88
Lee (Arthur)	4.25	Apr 6	4.25	5.9	5.9
Practical Inv	1.1	Apr 6	1.1	-	4.31
York-Tyne TV	8.71	Apr 5	8.7	12	12

Dividends shown pence per share net except where otherwise stated. 10n increased capital. \$USM stock.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final and the subdivisions shown below are based mainly on last year's timetables.

	FUTURE DATES
Interline	Jul 20
Central Motor Auctions	Jan 27
Dyson (J & J)	Jan 27
Hong Kong Inv. Trust	Jan 28
Independent Inv.	Jan 28
McKay Securities	Jan 28
Anglian Water	Jan 28
Cardiff Property	Jan 28
City & Commercial Inv.	Jan 27
Princedale	Jan 25

DAEJAN HOLDINGS PLC.

1992 INTERIM STATEMENT

Results for the half year ended 30 September 1992 - unaudited

	6 months to 30.9.92	6 months to 30.9.91
	£'000	£'000
Rent and Service Charges less Property Outgoings	7,908	6,937
Surplus on Sales of Properties	5,215	5,697
	13,121	12,634
Financing Charges and Other Expenses	4,914	3,864
Profit before Tax	8,207	8,770
Less Taxation	2,700	3,053
Minority Interests	22	19
Profit attributable to shareholders	£5,485	£5,698
Earnings Per Share	33.85p	34.98p

Included in surplus on Sales of Properties is an amount of £568,000 (1991 - £587,000), being prior year revaluation surpluses now realised. An Interim Dividend of 12p per share (1992 - 12p) will be paid on 15 March 1993 to shareholders registered on 12 February 1993. This Dividend will absorb £1,955,000 (1992 - £1,955,000). It is anticipated that profits for the full year will not be dissimilar to those of last year.

The financial information included in this document does not comprise statutory accounts within the meaning of Section 240 of the Companies Act 1985. The statutory accounts for the year to 31 March 1992, on which the auditors have given an unqualified opinion, have been filed with the Registrar of Companies. The interim financial information is unaudited.

Notes for 1992

- January/February: Structured and provided US \$65m ECGD and export credit lines for Petroleos de Venezuela.
- Jointly led the £102m MBO of the coal mining business of A.F. Budge Limited by R.J. Budge (Holdings) Ltd.
- Advised the Italian state holding company IRI on the sale for approximately £220m of a 52% interest in the leading cement group Cementir SpA to Cattagione SpA.
- March/April: Arranged and led £200m bond issue for Cable and Wireless.
- Montagu Private Equity led and wrote £26m management and employee buy-out of Clydeport, the privatisation of the Clyde Port Authority.
- Arranged the mezzanine and senior debt financing for the MBO of Continuous Coil Anodizing S.A. Equity financing was led by Montagu Private Equity and Midland Montagu Investissement.
- May/June: Arranged and led £200m bond issue for European Investment Bank.
- Launched the successful £153m flotation of Taunton City following the earlier MBO in 1991.
- July/August: Advised WPP Group on the successful refinancing and capital restructuring.
- Arranged US \$91m Project Finance for the construction of eight 8-Car Electric Multiple Unit Trains by Cammell, subsidiary of GEC ALSTHOM, to MTR Transit Railway Corporation Hong Kong.
- Co-arranged £725m term loan and revolving credit facilities for AB Nynas Petroleum.
- Advised Mart Taverners and led the £17m debt financing in support of the purchase of 170 pubs from Bass and refinancing of existing portfolio.
- September/October: Completed syndication of £75m loan facilities for United Kingdom Tyres on behalf of Midland Bank-oversubscribed and increased to £80m.
- Arranged and co-underwrote the loan facility of £19.3m in support of Sycamore Taverners acquisition of a portfolio of public houses from Allied Lyons plc.
- November/December: Arranged and led £200m bond issue for Halifax Building Society.
- Advised £75m revolving credit facility for Fine Art Developments on behalf of Midland Bank-oversubscribed and increased to £90m.

SAMUEL MONTAGU

In July 1992 Samuel Montagu became a member of the HSBC Group. The former Midland Montagu businesses have been reorganised, mainly within Samuel Montagu and Midland Global Markets. In the meantime, as you can see from some of the highlights of 1992, it was a busy year. Going into 1993, Samuel Montagu's International Merchant Banking activities will be even more far reaching and include:

- Capital Markets
- Corporate Finance
- Export and Project Finance
- Private Banking
- Private Equity
- Specialised Financing
- Syndications

And with businesses in 17 countries our story translates worldwide. If you'd like to find out more, call us on 071-260 9000.



SAMUEL MONTAGU

Samuel Montagu & Co. Limited, 10 Lower Thames Street London EC3R 6AE. A member of The Securities and Futures Authority.

member HSBC group

FF12

COMPANY NEWS: UK

Yorkshire-Tyne Tees were 'high bidders'

By Raymond Snoddy

Mr CLIVE LEACH, group chief executive of Yorkshire-Tyne Tees Television, admitted yesterday that the group had been "high bidders" for its ITV franchise.

"I put my hands up," he said. "We have got to do something about it," he said after the group announced pre-tax profits up 23 per cent to £16.12m (£13.09m) for the year to September.

But interest yesterday was less in the 1991-92 results, than in what happens now that the merged company must pay £52.76m a year to the Treasury. This is the sum it bid to secure the new franchise plus 5.5 per cent of net advertising revenue - a low percentage for a company of its size.

The Exchequer levy was low in its final year. A total of £6.37m was paid to the government by Yorkshire, including a proportion of Tyne-Tees' dues.

"It's going to be tough," conceded Mr Leach. But "like Mark Twain, rumours of our death have been much exaggerated."

Yorkshire-Tyne Tees would be in profit from year one, albeit it at a lower level.

Mr Neil Blackley, media analyst at James Capel, believes the company will make £10.5m pre-tax this year, but that the figure will drop again to £7m in 1993-94 when Yorkshire will have its first 12-month financial year under the new franchise regime.



Clive Leach: rumours of our death have been much exaggerated

Yorkshire has been putting considerable emphasis on cost-cutting - reductions are already running at 11m in a full year - and on savings resulting from the merger, such as shared transmission and advertising sales effort.

Permanent staff would have come down from 1,257 in 1992 to 935 in March this year. "As we progress throughout the year there will be opportunities to improve our working practices which means looking at the numbers we employ," Mr Leach said.

Although £1.1m was paid as a staff bonus in September

there would be a general salary freeze this year. Yorkshire, in which Pearson, owner of the Financial Times, has a stake of just under 20 per cent, is forecasting that it will increase its share of ITV revenue from about 11.8 per cent to 12.2 per cent.

Net cash balances increased from £13.1m to £23.1m. "We are very comfortable," Mr Leach insisted.

Earnings per share increased to 27.1p (22.9p). The final dividend was held at 8.7p, making a same-again total of 12p.

The share price gained 8p to close at 144p.

Jobs to go as S&N closes loss-makers

By Daniel Green

SMITH & Nephew, the healthcare company, is withdrawing from its loss-making cotton spinning and denim cloth manufacturing with the loss of 574 jobs.

The move marks the end of bulk manufacture of denim in the UK, priced out of the market by supplies from eastern Europe and Asia.

Smith & Nephew will close five sites in Lancashire and concentrate production of specialist fabrics at the main textiles site in Brierfield, Lancashire.

The production of basic gauze will also end.

Mr John Robinson, chief executive, blamed "relentless and increasing competition from low-cost sources in developing countries" for the closures.

He said that voluntary redundancies and early retirement would be offered to staff but that compulsory redundancies would be necessary.

The five sites will be sold as industrial or retail units and the cash raised should pay for all but £1m to £2m of the costs of the closures, said Mr Robinson.

A new medical fabrics division has been created at Brierfield which will employ the remaining 636 staff.

The site will receive a £8m capital investment over the next two years to bring it up to the standard required for the manufacturing of bandages, dressing materials and other medical fabrics.

The company is in its close season ahead of final results and would not estimate the effect of the closures on its profit and loss account.

However, analysts said the closures would halve the £40m exceptional profit it made from the sale of its share of the Nivea skin care product brand last month.

There would be an increase in operating profits because cotton spinning and denim weaving was losing almost £1m a year.

A testing time for Dobson Park

Andrew Bolger reports on a mining equipment joint venture

REGARDLESS of the outcome of Mr Michael Heseltine's review of the pit closure programme, Britain's mining equipment industry faces a testing time on the home front.

Dobson Park, which plans to put its hydraulic pit support and conveyor business into a joint venture with Mecco International, its main UK rival, said both companies had been facing an inexorable decline in their domestic market base, particularly since the announcement in October of British Coal's plan to close 30 of its existing 50 pits.

Dobson said: "The board hopes that the subsequent review initiated by the president of the board of trade will result in some amelioration of the closure programme but notwithstanding this, there seems little doubt that a further material decline in the demand for the division's mining equipment products will follow."

The Association of British Mining Equipment Companies estimates that its members export £400m from a total annual turnover of £900m. But the association has told the pit closure review that international sales will decline without a strong home market.

Abmec represents 50 manufacturers, with a combined workforce of 22,000. It says that during the last four years, British Coal shrinkage has caused 54,000 redundancies among its members.

"The impact on members' finances has been severe, consequently many research and development programmes, which would have assisted in the exploitation of our overseas markets, have had to be cut. Many of our members will not survive further redundancies if the pit closures proceed."

If UK pits are reduced from 50 to 20, the association claims a further 16,000 employees would have to go. In addition it estimates that the value of exported mining equipment would be cut by a third.

Dobson's mining equipment division and Mecco have both shed about 1,000 jobs each over the last three years. Dobson employs about 1,200 people, 250 of them overseas, while Mecco has about 1,700 employees, several hundred of whom are in the US.

The new joint venture, Longwall International, will be strong in its international markets. Dobson and Mecco supply all British Coal's hydraulic pit supports for longwall seams. These inch forward, supporting the roof as a cutter tears out the coal. Between them they have 80 per cent of the UK

market for conveyors, which take the coal away. A full-face support installation, comprising between 120 and 150 units powered by hydraulic jacks, costs between £2m and £3m.

Longwall will have about 50 per cent of the US market for roof supports and face conveyor equipment, and strong positions in South Africa and Australia. Its main competitors are two German companies, Henschel and Westphalia-Berweit, but analysts said the UK group should benefit from the recent devaluation of sterling.

Although there is considerable scope for rationalisation of the Longwall in areas where the two companies compete directly, Mr Alan Kaye, Dobson Park's chairman, said there were also a lot of complementary activities.

Dobson had tended to concentrate on selling capital equipment, whereas Mecco had focused more on the aftermarket, rebuilding and refurbishing equipment. Dobson's strong American operation would be able to use Mecco's three US workshops.

Mr Kaye will be the first chairman of Longwall and its chief executive will be Mr Adrian Buckmaster, Mecco's chairman and chief executive. In their most recent results, Mecco made trading profits of

£8.6m on sales of £143.3m and Dobson Park's mining equipment division made trading profit of £7.4m on sales of £101m.

Dobson Park is contributing net assets of £25m to the joint venture, and Mecco is putting in assets worth a net £18m. To offset the disparity in contribution, Dobson Park will receive a guaranteed income stream from preference shares in Longwall and property rental.

Dobson Park and the current shareholders in Mecco will each own 50 per cent of Longwall's own 50 per cent of Longwall's issued share capital. To balance the disparate interests of the shareholders, both Dobson Park and the Mecco management will each have 35 per cent of the voting rights of Longwall, the remaining 30 per cent being held by Dowty Group, Westpac Banking Corporation and National Westminster Bank.

Although the link-up clearly raises concerns about competition, Mr Kaye said he was reasonably confident of clearance by the UK regulatory authorities.

It seems unlikely that Mr Heseltine, the trade and industry secretary, who has already tried to close most of the UK's pits, would block this attempt to form a more significant force in the international mining equipment market.

Eurotherm second half boost

By Angus Foster

PROFITS at Eurotherm, the temperature control and drives company, more than doubled last year helped by cost cutting and improved margins.

Pre-tax profits increased from £7.15m to £14.6m in the year to October 31 last. At the interim stage, profits were 46 per cent ahead at £6.7m.

Mr Jack Leonard, chairman, said it was a "year of reconstruction" after the company misjudged the depth of recession and had to attack its cost base.

Rationalisation costs of £2.4m were taken in the previous year, with a further £500,000 charged as an administrative expense this time. In the last two years employees have fallen by nearly one-third to just over 2,000.

Turnover fell from £157.7m

to £154.6m following the disposal of half way through the year of two unprofitable subsidiaries which had annual sales of about £8m. Mr Leonard said Eurotherm's maintained levels of sales in shrinking international markets suggested the company had improved market share.

Eurotherm continued to generate cash, despite an increase in capital expenditure from £4.7m to £5.3m. Net borrowings fell from £15.6m to £7.4m while gearing dropped from 30 per cent to 12.9 per cent.

Earnings increased from 10.5p to 23.3p. The directors proposed a final dividend of 9p (4.7p) to make a total of 9p (7.2p), an increase of 11 per cent.

● COMMENT These results were well received, even through the scale of recovery is flattered by comparison with a poor 1991. With the benefits of restructuring largely on board, Eurotherm appears close to recovering historical levels of profitability. Gross margins have improved by 3 percentage points to 48 per cent, and should rise beyond 50 per cent in the medium term. Meanwhile, this year's profits are partly underwritten by currency factors since, with 70 per cent of sales overseas, average sterling exchange rates are likely to be beneficial. However, all this good news is already in the price, especially after yesterday's 24p rise to 495p. The shares have now risen more than 30 per cent since the start of December. Forecast profits this year of £18m put them on a prospective p/e of more than 18. Amid a sector long on recovery plays, Eurotherm is starting to look expensive.

Exceptional lifts A Lee to £3m

By Peter Pearce

PRE-TAX profits at Arthur Lee & Sons, the manufacturer of steel and plastic products in which Carcio Engineering lifted its stake to 29.99 per cent in October, advanced from £51,000 to £2.98m in the year to September 30. The pre-tax line was helped by a £1.51m (£146,000) credit from the sale of the Warrington site and by a reduction in interest payable to £1.09m (£1.48m).

Mr Peter Lee, chairman, said Carcio's stake was "a worry" and "not of our choosing". However, Mr Mike Thompson, corporate development manager at Carcio, described the stake as "a trade investment".

Lee's operating profits grew to £2.56m (£2.2m), though the contribution from continuing activities slipped to £3.53m (£3.71m).

Losses at Lee Bright Bars and Bell & Harwood - sold in August to UES Holdings for about £7.5m, thereby all but eliminating group borrowings - and Plutec were cut to £968,000 (£1.51m). Group turnover was down at £101.6m (£105.6m) - a result of the downward pressure

on prices, said Mr Lee. Capital expenditure was £2.12m (£3.9m) and in the past five years totalled £23m, compared with a depreciation charge of £12.5m.

In plastics, operating profits rose to £1.3m (£535,000) on turnover of £12.8m (£12.5m). Mr Lee said that the group would like to be bigger in plastics, though it was on the look-out for acquisitions in either plastics or steel.

The emphasis would be on acquiring products, rather than markets. In steel, operating profits declined to £2.23m (£2.87m) on reduced turnover of £51.5m (£54.3m).

Mr Graham Holland, finance director, said that if one stripped out all management charges, only Stainless Steel Stockholders had a loss.

Mr Lee said there were now "some signs of recovery in the UK and US economies", especially in the manufacture and sale of cars, an important market for Lee. Exports to the US were up by a quarter. He added, however, that things were weaker in Europe.

The final dividend is held at 4.25p for a maintained 5.9p total, payable from earnings of 7.32p (£5.22p) per share.

Receivers continue Lilley sales

RECEIVERS to Lilley have announced further progress in selling the businesses and contract assets of companies within the Glasgow-based contracting and construction group.

The rights to the contracts of both Henry Jones Construction and Eden Construction have been sold to the Kier Group, while negotiations for the sale of MDW, the Glasgow-based subsidiary, are far advanced and it is anticipated that a deal will be concluded today.

Earlier this week, Lilley Construction (Scotland) was sold to Sunley Turf Holdings in a deal which was described by Sunley, a subsidiary of Lonrho, as a strategic move into civil engineering and into Scotland.

MSL

MSL Group International, the human resourcing consultancy of 32 Aybrook Street, London W1, wishes to make clear that it has no connection with the London-based marketing consultancy, Marketing Solutions Limited, referred to in the FT article of January 15 as MSL, in which The Birkdale Group is reported to have acquired an 80 per cent stake.

Henderson to cut TR staff

HENDERSON Administration, the fund management company, has said it would make redundant nearly half the staff of Touche Remnant, the investment trust manager it recently acquired for £42.4m, writes Norma Cohen.

Of 165 Touche Remnant employees, 76 will lose their jobs.

As a result of the redundancies, Henderson will incur a £1.4m charge to cover the cost of compensation, including pension commitments which will be taken in the accounting period ending March 31. The company is considering capitalising the charge instead of reflecting its impact in the profit and loss statement.

Meanwhile, Henderson said the cost savings would be considerably in excess of the charge, but would flow through in subsequent years. The redundancies include back office staff, sales and marketing. No senior fund managers will be affected.

Daejan slips to £8.21m

Profits of Daejan Holdings, the property group, declined from £8.77m to £8.21m over the half year ended September 30.

The directors, however, anticipated that profits for the full year would not be dissimilar to the previous year's £16.22m pre-tax.

Gross rental income improved to £7.91m (£6.94m). The improvement largely reflected additional income arising from recent purchases. The interim dividend is held at 12p and is being paid from earnings of 33.65p (£4.96p).

HSBC Holdings plc



HSBC Holdings plc
the holding company for the HSBC Group
is now situated at

10 Lower Thames Street
London EC3R 6AE
Telephone: (071) 260 0500
Telex: 8811494 HSBH G
Facsimile: (071) 260 0501

The HSBC Group ranks among the largest banking and financial services groups in the world, with a staff of more than 100,000 and over 3,300 offices world-wide. Its international network links all the world's major business and financial centres.

Board of Directors

Sir William Purves, CBE, DSO, Chairman
Baroness Dunn, DBE, Deputy Chairman
Sir Peter Walters, Deputy Chairman
J R H Bond, Group Chief Executive Officer
B H Asher
D E Connolly, OBE
R Delbridge

J M Gray
J E Houtung
N R Knox
H C Lee
D P H Liao, CBE
C D Mackay
G Maitland Smith

Sir Colin Marshall
M Murofushi
Sir Wilfrid Newton, CBE
B G Pearce
H Sohmén, OBE
J E Strickland

Advisers to the Board

F R Frame
Sir Quo-Wei Lee, CBE

The HSBC Group: Principal Companies

Commercial Banking
The Hongkong and Shanghai Banking Corporation Limited
Midland Bank plc
Firstdirect (a division of Midland Bank plc)
Hang Seng Bank Limited
Marine Midland Banks, Inc.
Hongkong Bank of Canada
The British Bank of the Middle East
Hongkong Bank of Australia Limited
Midland Bank S.A.
The Cyprus Popular Bank Limited
Hongkong Egyptian Bank S.A.E.
The Saudi British Bank

Merchant Banking and Capital Markets
Carroll McEntee & McGinley Incorporated
Equator Bank Limited
Euromobiliare SpA
James Capel & Co. Limited
James Capel S.A.
Samuel Montagu & Co. Limited
Trinkaus & Burkhart KGaA
Van Meer James Capel N.V.
Wardley James Capel Limited
Wardley Limited

Insurance
Carltonford Insurance Company Limited
Gibbs Hartley Cooper Limited
Gibbs Insurance Consultants Limited
HSBC Life Limited
Midland Life Limited

Investment Management
Guyerzeller Bank AG
James Capel Asset Management Limited
Marinvest, Inc.
Wardley Investment Services Limited

Private Banking
The British Bank of the Middle East
Guyerzeller Bank AG
The Hongkong and Shanghai Banking Corporation (CJ) Limited
HSBC Bank (Luxembourg) S.A.
Trinkaus & Burkhart KGaA
Wardley Limited

Finance
Concord Leasing, Inc.
Forward Trust Group Limited
Griffin Factors Limited
Hang Seng Finance Limited
Hongkong Bank International
Trade Finance Limited
MidAval Asia Pte Ltd
Wayfoong Finance Limited

Associated companies are shown in *italics*

Fast decisions. Worldwide.

PIRELLI TYRE HOLDING N.V.

Established in Amsterdam

Notice to shareholders of Pirelli Tyre Holding N.V.

Extraordinary General Meeting of Shareholders January 15, 1993
On Friday January 15, 1993 the Extraordinary General Meeting of Shareholders of Pirelli Tyre Holding N.V. decided on the issue of 46,533,000 new shares of NLG 10 nominal value at NLG 10 by way of a private placement with Pirelli S.p.A. of 36,856,800 shares and with Stichting Escrow PTH shareholders.

Warrant issue by Stichting Escrow PTH
Existing shareholders, with the exception of the registered shareholdings belonging to the Pirelli Group, are entitled to receive one warrant per share, issued by Stichting Escrow PTH. Each warrant entitles the holder thereof to purchase one share Pirelli Tyre Holding N.V. of NLG 10 nominal value at the exercise price of NLG 10. The exercise period will commence on the first day the Amsterdam Stock Exchange is open for trading following the adoption of the 1992 Annual Accounts of Pirelli Tyre Holding N.V. by the General Meeting of Shareholders, and will end 6 calendar months afterwards. The warrants will be represented by one definitive Global Warrant, transfers of the warrants will be made by giro.

Information Memorandum and trading
The Information Memorandum in the Dutch language as well as in the English language will be published on the day of the announcement of the General Meeting of Shareholders of Pirelli Tyre Holding N.V. in which the 1992 Annual Accounts will be referred to for adoption which is expected to fall in the first week of June. Application will then be made to list the warrants on the Amsterdam Stock Exchange as from the first day this stock exchange is open for trading following adoption of the 1992 Annual Accounts. Before such date the warrants cannot be traded.

Instructions to shareholders in regard of obtaining warrants
Shareholders who have deposited their shares of Pirelli Tyre Holding N.V. with a bank or stockbroker will be informed by their bank or stockbroker of the number of warrants allocated in respect of their shares.

With a view to the allocation of warrants, shareholders who keep their shares at home should deposit these with a bank or stockbroker not later than January 29, 1993. The allocated warrants will be transferred by giro to the relevant bank or stockbroker on February 1, 1993. If the shares are and/or withdrawn charges, Deposited shares can be withdrawn after January 29, 1993, allocated. Pirelli Tyre Holding N.V. themselves will inform holders of registered shares of the warrants

January 20, 1993, Amsterdam

مكتبة من الأصول

A logistics group is returning to the market. Angus Foster reports

However, the company's turbulent recent history and short track record may frustrate Glass Glover's hopes of gaining a rating in line with the highly regarded logistics sector or about 15 times earnings.

and McDonnell Douglas has

and McDonnell Douglas had not translated into increased turnover because of the aircraft's high fuel consumption last year. The group was currently between major contracts — the refurbishment of VC10s — converted into tanker aircraft completed last year, and cabin for the new Saab 2000 turboprop airliner — but business would pick up strongly from mid-1993.

Aim would equip only three Saab aircraft by the year-end but fit 12 to 15 next year and another 24 the year after. It also had contracts for McDonnell's MDX helicopter and the new EH101 Westland helicopter.

The group was confident it would meet the May 1994 deadline for repaying its bankers the \$3m debt they rescheduled when Aim's abortive foray into property threatened to sink the group in 1991. Although propeller sales amounted to more than £1m in the period, on a £2m was 50 per cent let

Exceptional charge leaves Hawtin lower

tion of Dares' financial arrangements and capital structure will be finalised.

Exceptional charge leaves Hawtin lower

Hawtin, the leisure and fitness group which also has interests in textiles and property, was hit by an exceptional charge of £482,000 which reduced pre-tax profits to £1.04m for the year ended September 30, against £1.4m previously.

Before the item - relating to a liability on a London property lease - profits were 8 per cent higher at £1.53m.

Earnings per share were 1.04p (1.17p) and the dividend has been increased from 0.86p to 0.89p.

Rise in net assets at First Philippine

Net asset value for the First Philippine Investment Trust has increased from 39.1p to 65.4p.

Net revenue for the 12 months to the end of October was £119,500 (£266,000) for earn-

Net revenue for the 12 months to the end of October was £119,500 (£268,000) for earnings per share of 0.24p (0.53p). A single final dividend of 0.2p (0.95p) is proposed.

Claythite's losses deepen to £1.1m

An increased pre-tax loss of £1.1m for the half year to September 30, against £245,000, has been announced by Claythite, the investment company. Net assets at the end of the period were 85p basic, or 87p diluted.

Turnover on continuing operations rose from £8.65m to £16.3m.

Turnover on continuing operations rose from £8.65m to £16.3m.

Mr John Jones, chairman, said most of the businesses performed satisfactorily. However, significant losses were incurred in two of the former BETEC engineering companies and provisions had been made for their reorganisation. There were further provisions of £1.2m against property values.

Losses per share were 9.6p basic (2p) or 4.7p (1p) diluted.

Jupiter European net

Jupiter European net asset value at 91.2p

Jupiter European, the split capital investment trust, reported net assets per ordinary and zero dividend share as at October 31 of 91.2p, of which 25p related to the zero dividend share. That compared with 79.3p per ordinary share a year earlier.

COMMODITIES AND AGRICULTURE

Brazil and Columbia strike agreement on coffee quotas

By Bill Hinchberger in Sao Paulo

BRAZIL AND Colombia, the world's leading coffee exporters, will take an agreed set of target quotas for their shipments to the meeting of producer countries starting today in London.

Brazil will propose that its quota be set at 27 per cent of the market, while Colombia will seek 18 per cent, according to Mr Rubens Barbosa, a Brazilian diplomat who is the lead negotiator for his country's delegation to talks on the International Coffee Agreement. The quota targets are based on exports in the two years to October 1992.

The preliminary meetings among producer countries are

a prelude to formal negotiations on the international accord set to reopen on February 1. At the end of last year, negotiators resolved to extend the deadline for completion of an accord to March 31.

The two countries determined their quota targets this week in Brasilia, during meetings between Brazilian officials and Mr Jorge Cardenas Gutierrez, head of Colombia's Fedecafé. Representatives of the Brazilian Coffee Committee, a private sector umbrella group, participated in the discussions.

Officials from the two countries reached a consensus about selectivity for importers between different types of coffee - the lack of which was an important factor in the collapse of the last quota agree-

ment in July 1989. Mr Barbosa declined to go into details, but said under the Brazil/Colombia proposals selectivity would be structured around the main four types of coffee. The rest, he said, "is mechanics for the technicians to resolve".

Brazilian and Colombian officials habitually meet prior to talks on the accord in London. Mr Barbosa added that Brazil has held similar discussions recently with Central American producers.

While producers appear to be forging a consensus, the position of consumers remains in doubt because of the change in the American administration. Mr Barbosa said the US has yet to reveal who will head the negotiating team representing President Bill Clinton.

Saga joins Shell in Russian oil pact

By Karen Fossell in Oslo

SAGA PETROLEUM, Norway's biggest independent oil company, and Shell Exploration, a unit of the Royal Dutch/Shell group, announced yesterday an agreement to co-operate with three Russian companies in developing oil and gas fields in the Timan-Pechora basin in the northern Russian Archangel province.

"Shell is joining Saga in an agreement of intentions previously entered between Saga

and the Russian enterprises Severgasprom, Arkhangel'skeologiya and Ukhangel'skeologiya regarding the creation of a joint venture," Saga Petroleum explained. The joint venture being negotiated is a proposed 50:50 Russian and foreign co-operation, and aims to develop discovered oil and gas fields.

Severgasprom, the leading Russian partner in the pact, has applied for exploitation licences on behalf of the group. The licences comprise the oil

fields Mid and North-Kharyaga and five gas and gas condensate fields.

Saga said the joint venture also aimed to apply for exploration and production licences for an area near the discovered fields.

One appraisal well is planned this year on the Mid-Kharyaga field which may be cored, logged and tested by western contractors financed by Saga and Shell.

For two years Saga and its Russian partners have been

negotiating a joint venture agreement and undertaken joint petroleum reserves studies, technical development scenarios and economic feasibility studies, but Saga said further appraisal activities, studies and commercial negotiations were required before the commercial viability of the fields could be declared.

Saga said the group aimed this year to conclude a feasibility study, environmental impact study and a joint venture agreement.

Crunch time for the better-bred potato crisp

By Hilary Barnes in Copenhagen

A PROBLEM which has long bothered the potato crisp industry will be eliminated if field trials on a genetically modified potato this year by Maribo Seeds are successful.

Mr Leif Kjaergaard, managing director of the company, which is a subsidiary of the Danisco sugar and distilling group, said that discoloration arises if carbohydrates in the potato break down into sugar when the crisps are dipped in frying oil.

Maribo Seeds has modified the carbohydrate make-up in a strain of potatoes, reducing the sugar content.

The potato has been developed in co-operation with the European Chips and Snacks Association and the European Community.

Nickel mine runs out of ore

THE NAMEW Lake nickel mine in Manitoba, Canada, which started production in 1988, is to close permanently at the end of this year because it has run out of ore. The mine, which had been producing 9,000 tonnes of nickel concentrate a year, is 60 per cent owned by Hudson Bay Mining and Smelting, a Minneco subsidiary, and Outokumpu, the state-owned Finnish group, owns the rest. Narmaw employs 170 and some will be moved to other mines.

Malaysia plans big cocoa export drive

By Kieran Cooke in Kuala Lumpur

MALAYSIA, the world's fourth biggest cocoa producer after the Ivory Coast, Brazil and Ghana, plans a sales drive in China in an effort to diversify export markets and improve prices.

Mr Lim Keng Yaik, the Malaysian primary industries minister, will lead a trade team to China in April. Last year China imported more than 40,000 tonnes of Malaysian cocoa, compared with 6,000 tonnes in 1989. According to Malaysian statistics, 70 per cent of China's cocoa imports

came from Malaysia. The Malaysian Cocoa Board says the country produced 184,000 tonnes of cocoa last year, down from 230,000 tonnes in 1991. Cocoa prices stand at about M\$2,100 (US\$840) a tonne, up from M\$1,800 last August but down from M\$2,900 a year ago.

Plan for India's biggest copper smelter

By Kunal Bose in Calcutta

STERILITE INDUSTRIES, an Indian copper rod producer, is to develop the country's largest copper smelter project at a cost of Rs7bn (£16m).

The plant, on a 550-acre site at Ratnagiri in Maharashtra, is scheduled to start commercial production at its 60,000 tonnes-a-year design capacity by July 1995.

Annual capacity could rise to 100,000 tonnes for an additional Rs1.5bn investment.

MIM Holdings of Australia will supply copper smelting and refining technologies to Sterilite, and arrange the

import of necessary equipment. The main plant and machinery will, however, be manufactured in India to specifications provided by Davy Power Gas.

The Australian company has supplied similar smelter technology to 15 operations around the world and says they are performing well.

By the time the Sterilite smelter, the first in the private sector, goes on stream, Indian demand for copper will have increased to 200,000 tonnes from 150,000 tonnes.

The government-owned monopoly Hindustan Copper produces only about 45,000

tonnes. India's annual copper imports amount to more than 100,000 tonnes.

The country has more than 8m tonnes of copper reserves. But the copper content in ore of most deposits is less than 1 per cent - with small traces of precious metals - making the mining of ore for producing copper economically unviable.

To maintain the viability of Hindustan Copper, the Federal government imposed a duty of nearly 90 per cent on imported copper.

Sterilite's policy of producing copper from imported concentrate has a better chance of proving profitable.

Discoveries triple Ecuadorean reserves

By Raymond Collet in Quito

FOLLOWING several oil discoveries in Ecuador's Amazon region, and new studies by the French Petroleum Institute, the country's proven reserves have almost tripled from 1.46bn barrels to 4.5bn. At the present rate of production the country's reserves will last well into the next century.

"The most recent discovery was in the Tiputini field in the eastern most region of Ecuador. The exploratory well Fish-

tingo 1 alone indicated about 337m barrels, almost equal to the estimated reserves for the Tiputini and nearby Tanacocha field together.

Mr Ricardo Estrada, the executive director of Petroecuador, the state-owned oil company, said it was now obvious that "the prospects of further increasing the petroleum reserves of the country are excellent".

In order to tap other potential reserves in the area, Petroecuador will hold another

round of bidding for exploration in the near future.

Before exploiting the new reserves, five more exploratory wells are planned for the area. Furthermore, 150 km of road and 300 km of pipeline need to be constructed north-west to Lago Agrio, from where the Trans-Ecuadorian pipeline will transport the oil across the Andes to the Pacific ports.

Petroecuador calculates that the project requires an investment of US\$280m over six

years. The field's production time is estimated at 22 years, with a maximum daily output of 45,000 barrels a day.

In order to transport the heavy crude from Tiputini, it needs to be mixed with a lighter crude from the Panacocha field. Until a more efficient and economic form of transport is available Petroecuador is expected to push the development of the field while the lighter crude is still available to mix with its oil.

Minneapolis exchange sees big future for shrimps

THE MINNEAPOLIS Grain

Exchange, best known for spring wheat futures, is planning to cast its net wider by introducing a shrimp contract, reports Reuters from Minneapolis.

"It's highly unusual... but there are some very good reasons to trade shrimp," said exchange president Mr James Landau yesterday. "Our con-

tract is going to be based principally on white shrimp which is grown mainly in Ecuador." Chinese shrimp will also be allowed.

"Research indicates that the timing is right for a shrimp futures market. Extremely volatile prices, which used to be much more predictable, dramatic increases in US shrimp consumption and momentous

changes in production have meant high risk for importers, end users and producers," he said. The exchange will also seek approval for a shrimp options contract.

Mr Landau said the MGE's board of directors approved the proposal and had submitted it to its members. Member approval is expected by January 29 and the exchange will

then submit the plan to the Commodity Futures Trading Commission, the US commodities watchdog, the following week. Assuming CFTC approval, the contract could begin trading by the end of the summer, Mr Landau said.

Ecuador produces about 73 per cent of the farm-raised shrimp in the western hemisphere.

Ecuador in a bind over EC banana quotas

Raymond Collet reports on the looming crisis for growers and the national economy

THE CRISIS provoked by the European Community's import restrictions on Latin American bananas is hitting home in Ecuador - making banana growers angry but largely helpless.

In Ecuador an estimated 100,000 jobs are at stake with expected losses of up to US\$70m.

Demonstrators dumped truck loads of bananas in front of the French embassy in Quito and burned the French flag in protest.

About 2,000 banana producers, later rallying before the British and German embassies, where they met consulate personnel, also called on their government to develop an aggressive strategy of response and reprisal.

Yet there is little the Ec-

adorian government can do against the EC's decision, besides scouring international trade agreements for articles that might be used in support of official complaints. Even so, the minister of industry and commerce, Mr Mauricio Pinto, complained that Ecuador could do little against an economically powerful EC, whose decision was largely unilateral.

At negotiations we were also left behind closed doors, looking through the keyhole to see what they [EC] would decide next," he said.

In December the EC's agricultural ministers imposed a 2m tonne annual (down from 2.5m) quota on the importation of Latin American bananas, as well as a 20 per cent tariff. Sales exceeding the 2m tonne

quota are subject to a 170 per cent tariff, equivalent to US\$1,050 per tonne. The National Assembly of Banana Growers and Mr Mariano Gonzalez, the minister of agriculture, accused the EC of preaching free trade while imposing restrictive measures. "How are we supposed to pay foreign debt, reduce unemployment and fight drug trafficking, which is increasingly invading Europe," they asked.

Mr Ignacio Perez, under secretary in the Ministry of Agriculture, warned that what is happening today with the banana was a sign of what might happen in future with other commodities if Ecuador continued to be pushed aside by the great economic blocs.

Nevertheless, Ecuador, the

world's largest banana exporter, is not likely to institute any reprisal measures - these would affect other sectors of its economy more than they would hit the European Community.

A joint Latin American response is expected when the president of the region's banana producing countries meet in Guayaquil, an Ecuador port, on February 10.

"More realistic than fighting the EC's decision," says Mr Gonzalez, "is for Ecuadorians to look for markets elsewhere and become more competitive."

Of the 2.5m tonnes of banana Ecuador exported in 1992, more than 40 per cent went to the EC. In the short term Ecuador has managed to sell 32,000 tonnes to Iran, but compared with its present 315,000 tonnes

of surplus production, the country still faces a potential loss of US\$70m. The US, Ecuador's largest export market, is unlikely to absorb this surplus.

The economy's dependence on bananas is significant. Of the 350,000 jobs that depend directly on the exportation of bananas 100,000 are in danger from the looming crisis. Another 1m Ecuadorians depend indirectly on the US\$600m industry, second only to petroleum as a source of hard currency.

"We've passed from a boom to a crisis in one day. While we had a banana unit last year, this year is likely to see prices drop, the demand for higher quality increased and the smaller banana producer marginalised," an industry analyst said.

MINOR METALS PRICES

Prices from Metal Bulletin (last week's in brackets).

ANTIMONY: European free market 99.6 per cent, \$ per tonne, in warehouse, 1,670-1,710 (same).

BISMUTH: European free market, min. 99.99 per cent, \$ per lb, tonne lots in warehouse, 2,20-2.40 (same).

CADMIUM: European free market, min. 99.5 per cent, \$ per lb, in warehouse, 0.40-0.50 (0.45-0.55).

COBALT: European free market, 99.5 per cent, \$ per lb, in warehouse, 15.20-15.90 (15.40-16.00).

MERCURY: European free market, min. 99.99 per cent, \$ per 76 lb flask, in warehouse, 120-140 (same).

MOLYBDENUM: European free market, drummed molybdenum oxide, \$ per lb Mo, in warehouse, 1.85-1.95 (same).

SELENIUM: European free market, min. 99.5 per cent, \$ per lb, in warehouse, 4.70-5.40 (same).

TUNGSTEN ORE: European free market, standard min. 65

per cent, \$ per tonne unit (10 kg) WO₃, cif, 40-50 (same).

VANADIUM: European free market, min. 99 per cent, \$ a lb V₂O₅, cif, 1.75-1.85 (same).

URANIUM: UxO exchange value, \$ per lb, U₃O₈ 7.35 (7.90).

LINE WAREHOUSE STOCKS (As at Monday's close) tonnes

Aluminium +9,700 to 1,611,025

Copper +2,300 to 311,200

Lead unchanged at 230,050

Nickel +1,674 to 75,642

Zinc +2,300 to 900,380

Tin +80 to 15,720

MARKET REPORT

The GOLD price held on to early

gains inspired by fears over the Middle East situation, although dealers said the prospect of further central bank sales meant that the underlying tone was bearish. The London bullion

market price closed at \$329.25 a troy ounce, up \$1.10 on the day. BASE METAL trading was routine on the London Metal

Exchange, with all the markets suffering from a lack of news, and prices were mostly higher at the close. At the London

Futures and Options Exchange COCOA and COFFEE prices rallied following Monday's falls.

London Markets

SPOT MARKETS

Crude oil (per barrel FOB(NM))

Dubai \$14.95-5.00 -2.25

Brent Blend (dual) \$16.90-7.00 -2.75

Brent Blend (Mar) \$17.20-7.30 -0.20

WTI (11 pm oil) \$18.70-8.80 -2.25

Oil products

INVE prompt delivery per tonne CIF + or -

Prompt Gasoline \$183-185 -2

Gas Oil \$166-168 -2

Heavy Fuel Oil \$71-72 -1

Naphtha \$178-180 -2.5

Petroleum Argus Estimates

Other + or -

Gold (per troy oz) \$329.25 +1.1

Silver (per troy oz) \$7.00 +3

Platinum (per troy oz) \$338.85 +1.85

Palladium (per troy oz) \$108.75 +1.1

Copper (US Producer) 106.5c

Lead (US Producer) 35.5c

Tin (Kuala Lumpur market) 14.87

Tin (New York) 27.5c +1

Zinc (US Prime Western) 62.0c

Cattle (live weight) 119.50p +0.87

Sheep (live weight) 85.91p -2.75

Pigs (live weight) 78.34p +1.11

London daily sugar (raw) \$215.7 -1.4

London daily sugar (white) \$226.0 -0.8

Tate and Lyle export price \$248.0 -1.5

Barley (English feed) 114c

Wheat (US No 3) \$161.0

Maize (US Yellow Northern) 114c

Rubber (RSS) 64.50p -0.25

Rubber (K) 64.00p -0.25

Rubber (K) 64.00p -0.25

Cocoa (Philippines) \$455.00 +2.5

Palm Oil (Malaysia) \$407.5c

Copra (Philippines) \$275 -5

Soyabean (US) \$174

Cotton (A index) \$7.50c +0.15

Wool (New Zealand) 38p

1. a troy ounce unless otherwise stated. 2. pennech. 3. contract. 4. ring. 5. value. 6. value. 7. value. 8. value. 9. value. 10. value. 11. value. 12. value. 13. value. 14. value. 15. value. 16. value. 17. value. 18. value. 19. value. 20. value. 21. value. 22. value. 23. value. 24. value. 25. value. 26. value. 27. value. 28. value. 29. value. 30. value. 31. value. 32. value. 33. value. 34. value. 35. value. 36. value. 37. value. 38. value. 39. value. 40. value. 41. value. 42. value. 43. value. 44. value. 45. value. 46. value. 47. value. 48. value. 49. value. 50. value. 51. value. 52. value. 53. value. 54. value. 55. value. 56. value. 57. value. 58. value. 59. value. 60. value. 61. value. 62. value. 63. value. 64. value. 65. value. 66. value. 67. value. 68. value. 69. value. 70. value. 71. value. 72. value. 73. value. 74. value. 75. value. 76. value. 77. value. 78. value. 79. value. 80. value. 81. value. 82. value. 83. value. 84. value. 85. value. 86. value. 87. value. 88. value. 89. value. 90. value. 91. value. 92. value. 93. value. 94. value. 95. value. 96. value. 97. value. 98. value. 99. value. 100. value. 101. value. 102. value. 103. value. 104. value. 105. value. 106. value. 107. value. 108. value. 109. value. 110. value. 111. value. 112. value. 113. value. 114. value. 115. value. 116. value. 117. value. 118. value. 119. value. 120. value. 121. value. 122. value. 123. value. 124. value. 125. value. 126. value. 127. value. 128. value. 129. value. 130. value. 131. value. 132. value. 133. value. 134. value. 135. value. 136. value. 137. value. 138. value. 139. value. 140. value. 141. value. 142. value. 143. value. 144. value. 145. value. 146. value. 147. value. 148. value. 149. value. 150. value. 151. value. 152. value. 153. value. 154. value. 155. value. 156. value. 157. value. 158. value. 159. value. 160. value. 161. value. 162. value. 163. value. 164. value. 165. value. 166. value. 167. value. 168. value. 169. value. 170. value. 171. value. 172. value. 173. value. 174. value. 175. value. 176. value. 177. value. 178. value. 179. value. 180. value. 181. value. 182. value. 183. value. 184. value. 185. value. 186. value. 187. value. 188. value. 189. value. 190. value. 191. value. 192. value. 193. value. 194. value. 195. value. 196. value. 197. value. 198. value. 199. value. 200. value. 201. value. 202. value. 203. value. 204. value. 205. value. 206. value. 207. value. 208. value. 209. value. 210. value. 211. value. 212. value. 213. value. 214. value. 215. value. 216. value. 217. value. 218. value. 219. value. 220. value. 221. value. 222. value. 223. value. 224. value. 225. value. 226. value. 227. value. 228. value. 229. value. 230. value. 231. value. 232. value. 233. value. 234. value. 235. value. 236. value. 237. value. 238. value. 239. value. 240. value. 241. value. 242. value. 243. value. 244. value. 245. value. 246. value. 247. value. 248. value. 249. value. 250. value. 251. value. 252. value. 253. value. 254. value. 255. value. 256. value. 257. value. 258. value. 259. value. 260. value. 261. value. 262. value. 263. value. 264. value. 265. value. 266. value. 267. value. 268. value. 269. value. 270. value. 271. value. 272. value. 273. value. 274. value. 275. value. 276. value. 277. value. 278. value. 279. value. 280. value. 281. value. 282. value. 283. value. 284. value. 285. value. 286. value. 287. value. 288. value. 289. value. 290. value. 291. value. 292. value. 293. value. 294. value. 295. value. 296. value. 297. value. 298. value. 299. value. 300. value. 301. value. 302. value. 303. value. 304. value. 305. value. 306. value. 307. value. 308. value. 309. value. 310. value. 311. value. 312. value. 313. value. 314. value. 315. value. 316. value. 317. value. 318. value. 319. value. 320. value. 321. value. 322. value. 323. value. 324. value. 325. value. 326. value. 327. value. 328. value. 329. value. 330. value. 331. value. 332. value. 333. value. 334. value. 335. value. 336. value. 337. value. 338. value. 339. value. 340. value. 341. value. 342. value. 343. value. 344. value. 345. value. 346. value. 347. value. 348. value. 349. value. 350. value. 351. value. 352. value. 353. value. 354. value. 355. value. 356. value. 357. value. 358. value. 359. value. 360. value. 36

HOTELS & LEISURE - Cont.

Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	

Warranties	100	+	100
Warranties	259	+	259
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd	122	+	122
Yp Co Ltd			

Warren	12	+1	13
German Sailer	145	+1	178
Wasson	75		188

George Lee	AM	363	+3	44
Govett Am Smk Cos		727	+1	128
Govett Oriental	1	187	+1	103
Govett Strategic		231	+1	218
Gowchar Padmal		81		119
Granatier		348		347
Harmonia		58	+1	89
Harmon House		6		23
Haykiana		17	-1	43
Group Dev		30		38
Guinness Dev	M	162		165
Guinness Eurovest		144		188
Units		97		108
Zuo Pzf		332		394
Hudson Highland		105		165
Hyatt		20		23
Hyatt Strategic		194	+1 1/2	184
Hoare & Smk Cos		108		119
Hong Kong	M	272		293
Hong Kong		23		23
Zero Div Pz		32	-1/2	32 1/2

Zero Div Pt	1891 ₂	1891 ₄
I & S Ink Smtr Co's <input type="checkbox"/>	89	85

[illegible]

M & G Recovery Inc. F	31	41
Capital	22	201

[illegible]

Zara Dir Pri	145	2	148
Murray Ventures	235	3	254

[illegible]

Net Asset Gains	47	95
Warrants	4	42

100	118
101	119
102	120
103	121
104	122
105	123
106	124
107	125
108	126
109	127
110	128
111	129
112	130
113	131
114	132
115	133
116	134
117	135
118	136
119	137
120	138
121	139
122	140
123	141
124	142
125	143
126	144
127	145
128	146
129	147
130	148
131	149
132	150
133	151
134	152
135	153
136	154
137	155
138	156
139	157
140	158
141	159
142	160
143	161
144	162
145	163
146	164
147	165
148	166
149	167
150	168
151	169
152	170
153	171
154	172
155	173
156	174
157	175
158	176
159	177
160	178
161	179
162	180
163	181
164	182
165	183
166	184
167	185
168	186
169	187
170	188
171	189
172	190
173	191
174	192
175	193
176	194
177	195
178	196
179	197
180	198
181	199
182	200
183	201
184	202
185	203
186	204
187	205
188	206
189	207
190	208
191	209
192	210
193	211
194	212
195	213
196	214
197	215
198	216
199	217
200	218
201	219
202	220
203	221
204	222
205	223
206	224
207	225
208	226
209	227
210	228
211	229
212	230
213	231
214	232
215	233
216	234
217	235
218	236
219	237
220	238
221	239
222	240
223	241
224	242
225	243
226	244
227	245
228	246
229	247
230	248
231	249
232	250
233	251
234	252
235	253
236	254
237	255
238	256
239	257
240	258
241	259
242	260
243	261
244	262
245	263
246	264
247	265
248	266
249	267
250	268
251	269
252	270
253	271
254	272
255	273
256	274
257	275
258	276
259	277
260	278
261	279
262	280
263	281
264	282
265	283
266	284
267	285
268	286
269	287
270	288
271	289
272	290
273	291
274	292
275	293
276	294
277	295
278	296
279	297
280	298
281	299
282	300
283	301
284	302
285	303
286	304
287	305
288	306
289	307
290	308
291	309
292	310
293	311
294	3

Pay & Mer Ext <input type="checkbox"/>	99nd	11	102
--	------	----	-----

PI & Wear Guarded	13	21	
PI	18	21	
PI & Wear Tst Inc	118	118	
Warrington	137	85	
Dr. Stupid PI	147	21	
PI & Micro Guide	97	109	
Warrington	104	36	
PI	23	114	
Warrington	112	53	
Dr. Stupid PI	78 1/2	78 1/2	
St Andrew	220	234	
St Andrew's Inc.	127	194	
Warrington	86	111	
Zero PI	131	111	
SPUT Inc	263	194	
Warrington	142	536	
SPUT	828	1	
Warrington	163	123	
St Andrew	93	14	
Warrington	262	231	
St Andrew	151 1/2	136	

هكذا من الأصيل

INVESTMENT TRUSTS - Cont.

Trust Name	Price	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600
------------	-------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

● Current Unit Tract prices are available from ET Cityline. For further details call (071) 525 2121.

هكذا من الضحل

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Debate about the dollar

THE DOLLAR lost another pennie in European trading yesterday as dealers continued to wonder whether the US currency's recent rally was sustainable, writes James Bly.

The dollar has lost more than four pennies since its close in London on Friday night, and yesterday bottomed out at around DM1.609 before closing at DM1.610 against the D-Mark.

There are certainly technical factors behind this latest fall, which follows the sharp rise above DM1.55 at Christmas-time. A rise of that speed and scale was always certain to be followed by some profit-taking.

However, there appears to be a growing feeling in the London market that this new fall reflects a fundamental reassessment of where the currency is heading in the first quarter of this year.

Mr Mark Brett, a currency economist at BZW in London, is among those analysts who believe that the sharp US economic recovery of recent months cannot be sustained.

"Rather than being a period of accelerating US recovery, 1993 will be another year of bursts of nothing happening," he says.

Mr Brett believes that the

economic recovery seen in last week's impressive retail sales figures, which showed an 8 per cent rise from the previous December, is unsustainable.

He points to the sharp drop in the savings ratio in the US, from 5 per cent of gross income in the summer to 4 per cent last month, as a sign that consumers are using savings rather than newly-generated money to buy goods.

This view is far from universally held. Mr Mark Slater, Managing Director of foreign exchange at Merrill Lynch International Bank in London, said yesterday that the dollar was a little overbought, but predicted a dollar rate of DM1.55 before the end of the first quarter.

He believes that German short term rates should be down by about 250 basis points before the end of the third quarter, and that this is certain to underpin the dollar. He also believes that the central banks

have used up a lot of their dollar reserves in recent months, buying the D-Mark for dollars, in order to repay the Bundesbank for recent intervention.

The market's attention may now be on whether the dollar falls below the significant technical support level of DM1.60. That is the average level of the dollar/D-Mark exchange rate calculated over the last 30 days.

A chart line drawn between the two recent troughs for the dollar - DM1.39 in October and DM1.55 in December - should show the currency at DM1.60 at the present time.

A weak dollar might raise new tensions in the European exchange rate mechanism. But yesterday brought another day of consolidation, with D-mark cutting interest rates by one percentage point, to 12 per cent, without this weakening the krona.

EMS EUROPEAN CURRENCY UNIT RATES

	Jan 19	Jan 18	% Change	Jan 19	Jan 18	% Change
Spanish Peseta	143.286	139.048	-3.03	3.67	3.67	0
Portuguese Escudo	166.484	166.484	0	1.00	1.00	0
Italian Lira	2,036.266	2,036.266	0	1.00	1.00	0
French Franc	6.55957	6.55957	0	1.00	1.00	0
German Mark	1.00	1.00	0	1.00	1.00	0
British Pound	0.79359	0.79359	0	1.00	1.00	0

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

Jan 19 Jan 18 % Change Jan 19 Jan 18 % Change

FINANCIAL FUTURES AND OPTIONS

LIVE LONG GILT FUTURES OPTIONS

Strike	Call	Put	Settlement
104	1.00	0.00	0.00
105	0.00	0.00	0.00
106	0.00	0.00	0.00
107	0.00	0.00	0.00
108	0.00	0.00	0.00
109	0.00	0.00	0.00
110	0.00	0.00	0.00

Estimated volume total, Calls 1336 Puts 2022
Previous day's open int. Calls 15962 Puts 22675

LIVE EUROSTAMP FUTURES OPTIONS

Strike	Call	Put	Settlement
104	1.00	0.00	0.00
105	0.00	0.00	0.00
106	0.00	0.00	0.00
107	0.00	0.00	0.00
108	0.00	0.00	0.00
109	0.00	0.00	0.00
110	0.00	0.00	0.00

Estimated volume total, Calls 1336 Puts 2022
Previous day's open int. Calls 15962 Puts 22675

LIVE EUROSTAMP FUTURES OPTIONS

Strike	Call	Put	Settlement
104	1.00	0.00	0.00
105	0.00	0.00	0.00
106	0.00	0.00	0.00
107	0.00	0.00	0.00
108	0.00	0.00	0.00
109	0.00	0.00	0.00
110	0.00	0.00	0.00

Estimated volume total, Calls 1336 Puts 2022
Previous day's open int. Calls 15962 Puts 22675

LIVE EUROSTAMP FUTURES OPTIONS

Strike	Call	Put	Settlement
104	1.00	0.00	0.00
105	0.00	0.00	0.00
106	0.00	0.00	0.00
107	0.00	0.00	0.00
108	0.00	0.00	0.00
109	0.00	0.00	0.00
110	0.00	0.00	0.00

Estimated volume total, Calls 1336 Puts 2022
Previous day's open int. Calls 15962 Puts 22675

LIVE EUROSTAMP FUTURES OPTIONS

Strike	Call	Put	Settlement
104	1.00	0.00	0.00
105	0.00	0.00	0.00
106	0.00	0.00	0.00
107	0.00	0.00	0.00
108	0.00	0.00	0.00
109	0.00	0.00	0.00
110	0.00	0.00	0.00

Estimated volume total, Calls 1336 Puts 2022
Previous day's open int. Calls 15962 Puts 22675

LIVE EUROSTAMP FUTURES OPTIONS

Strike	Call	Put	Settlement
104	1.00	0.00	0.00
105	0.00	0.00	0.00
106	0.00	0.00	0.00
107	0.00	0.00	0.00
108	0.00	0.00	0.00
109	0.00	0.00	0.00
110	0.00	0.00	0.00

Estimated volume total, Calls 1336 Puts 2022
Previous day's open int. Calls 15962 Puts 22675

LIVE EUROSTAMP FUTURES OPTIONS

Strike	Call	Put	Settlement
104	1.00	0.00	0.00
105	0.00	0.00	0.00
106	0.00	0.00	0.00
107	0.00	0.00	0.00
108	0.00	0.00	0.00
109	0.00	0.00	0.00
110	0.00	0.00	0.00

Estimated volume total, Calls 1336 Puts 2022
Previous day's open int. Calls 15962 Puts 22675

LIVE EUROSTAMP FUTURES OPTIONS

Strike	Call	Put	Settlement
104	1.00	0.00	0.00
105	0.00	0.00	0.00
106	0.00	0.00	0.00
107	0.00	0.00	0.00
108	0.00	0.00	0.00
109	0.00	0.00	0.00
110	0.00	0.00	0.00

Estimated volume total, Calls 1336 Puts 2022
Previous day's open int. Calls 15962 Puts 22675

LIVE EUROSTAMP FUTURES OPTIONS

Strike	Call	Put	Settlement
104	1.00	0.00	0.00
105	0.00	0.00	0.00
106	0.00	0.00	0.00
107	0.00	0.00	0.00
108	0.00	0.00	0.00
109	0.00	0.00	0.00
110	0.00	0.00	0.00

Estimated volume total, Calls 1336 Puts 2022
Previous day's open int. Calls 15962 Puts 22675

LIVE EUROSTAMP FUTURES OPTIONS

Strike	Call	Put	Settlement
104	1.00	0.00	0.00
105	0.00	0.00	0.00
106	0.00	0.00	0.00
107	0.00	0.00	0.00
108	0.00	0.00	0.00
109	0.00	0.00	0.00
110	0.00	0.00	0.00

Estimated volume total, Calls 1336 Puts 2022
Previous day's open int. Calls 15962 Puts 22675

LIVE EUROSTAMP FUTURES OPTIONS

Strike	Call	Put	Settlement
104	1.00	0.00	0.00
105	0.00	0.00	0.00
106	0.00	0.00	0.00
107	0.00	0.00	0.00
108	0.00	0.00	0.00
109	0.00	0.00	0.00
110	0.00	0.00	0.00

Estimated volume

CANADA

Sales	Stock	High	Low	Close	Chng
TORONTO					
3 pm January 19					
Quotations in cents unless marked S					
56500 At&Bd Pz		\$14 1/2	d14 1/2	14 1/2	+ 1/2
16500 Agri&Co		55 1/2	51	61 1/2	+ 1/2
55500 Air Cda		290	255	260	
7500 Altria En		\$16 1/2	d15 1/2	15 1/2	+ 1/2
7000 Altk&Gen		\$16 1/2	d14 1/2	14 1/2	- 1/2
92000 Alcan Al		\$22 1/2	21 1/2	22 1/2	- 3/4

400	Alco Cr 1	\$12 1/2	12 1/2	12 1/2	-1 1/2
481700	BA Monitor	543 1/2	644 1/2	45 1/2	
481900	BN New Sc	222 1/2	222 1/2	22 1/2	-2 1/2
31900	BC Sugar A	39 1/2			0
299900	BCE Inc	54 1/2	42 1/2	42 1/2	
51500	Bellmont	102 1/2	102 1/2	10 1/2	
3500	Bellm	102 1/2	102 1/2	10 1/2	
246300	Bent/dad	\$12 1/2	11 1/2	12 1/2	+1/2
11700	Bay Valley	d810 1/2	10	10 1/2	
11600	BP Canada	518 1/2	514 1/2	15	
13700	Brambles	42	41	42	
32000	Bresler A	25	25	23 1/2	-1 1/2
16000	Bresler/bro	25	23 1/2	24	
43000	BC Tel	519 1/2	519 1/2	19 1/2	
3000	Brunor	110 1/2	110 1/2	18 1/2	
400	Brunswick	58 1/2	58 1/2	8 1/2	

17200	DAE Ind	385	6	3
17320	Camel	105	10	1
17350	Cambridge	135	13	1
1550	Camargo	1177	17	15
300	Croft Race	36	35	36
4354000	Centripmk	525	604	24
10000	Can Occid	323	31	23
10000	Can Pac	116	18	16
10000	Can Pac	116	18	16
10000	CanTheA	515	14	15
16500	Can UNI A	520	20	20
540	Can Utu B	520	20	20
1100	CanGenio	528	25	28
43500	Canamara	36	35	36
56100	Canamara	56	10	10
1000	CanPForest	521	21	21
20000	Can Corp	440	420	430
1100	Canadesc	515	46	41
40800	Canalene	u5415	41	41

	Jan 16	Jan 15	Jan 14	Jan 13
NEW YORK				
DOW JONES	3274.91	3271.12	3267.68	3263.56
State Bonds	104.03	104.01	103.67	103.55
Transport	1520.11	1506.21	1496.34	1466.93

	Jan 16	Jan 15	Jan 14	Jan 13
NEW YORK				
DOW JONES	3274.91	3271.12	3267.68	3263.56
State Bonds	104.03	104.01	103.67	103.55
Transport	1520.11	1506.21	1496.34	1466.93

Utilities	222.46	222.40	221.33	220.17
	DJ Index's High 3296.00 Day's High 32			
STANDARD AND POOR'S				
Composite 1	436.84	437.15	435.94	433.03
Industrials	505.75	506.92	505.78	502.84
Financials	41.85	41.41	41.16	40.58
NYSE Composite	240.53	240.47	239.60	238.12
NYSE MKT. Value	403.79	403.65	401.06	398.56
NASDAQ Composite	698.13	697.15	695.70	686.78
	Jan 15	Jan		

Low Industrial Div. Yield	3 17	3 19
	Jan 13	Jan
& P Industrial div. yield	2 99	2 56
& P Infl. P/E ratio	26 70	26 81

Monday	traded	price	on day
Sears Roebuck	6,725,200	2½	+ ¼
Jacobs	1,275,800	23½	+ ¾
Railco	3,051,500	9½	- ½
Railco	2,972,800	49½	+ 1½
Crysler	2,596,700	37½	+ 1½
American Kodak	2,594,400	49	+ ½
Metromedia	2,541,300	49½	+ 2½
General Motors	2,823,200	35½	+ ½
Pepsi Corp.	2,157,700	12½	+ ½
Procter	2,039,800	41½	+ ½

	Jan	Jan	Jan
	16	15	14
Canada R. 30-yr bond	3772 5/8	3764 1/4	3768 1/4

	1734-18	1746-12	1748-05
NYSE All Co.	3296.60	3306.58	3303.80
NYSE Industrials	1734.18	1746.12	1748.05

use values of all indices are 100 except NYSE All Co. = 1000, Toronto Composite and Metals—1000, Toronto Industrial—1000, NYSE Chemicals—1000, NYSE Utilities—1000, NYSE Financials—1000, NYSE Pharmaceuticals—1000, NYSE Technology—1000, NYSE Energy—1000, NYSE Healthcare—1000, NYSE Consumer Goods—1000, NYSE Real Estate—1000, NYSE Telecommunications—1000, NYSE Transportation—1000, NYSE Business Equipment—1000, NYSE Leisure—1000, NYSE Media—1000, NYSE Retail—1000, NYSE Services—1000, NYSE Insurance—1000, NYSE Banking—1000, NYSE Finance—1000, NYSE Investment Management—1000, NYSE Asset Management—1000, NYSE Private Equity—1000, NYSE Venture Capital—1000, NYSE Hedge Funds—1000, NYSE Structured Products—1000, NYSE Derivatives—1000, NYSE Commodity Futures—1000, NYSE Cryptocurrency—1000, NYSE Blockchain—1000, NYSE Artificial Intelligence—1000, NYSE Robotics—1000, NYSE Space Exploration—1000, NYSE Biotechnology—1000, NYSE Nanotechnology—1000, NYSE Quantum Computing—1000, NYSE Augmented Reality—1000, NYSE Virtual Reality—1000, NYSE Internet of Things—1000, NYSE Cloud Computing—1000, NYSE Big Data—1000, NYSE Cybersecurity—1000, NYSE Digital Marketing—1000, NYSE E-commerce—1000, NYSE Social Media—1000, NYSE Gaming—1000, NYSE Entertainment—1000, NYSE Sports—1000, NYSE Music—1000, NYSE Film—1000, NYSE Television—1000, NYSE Radio—1000, NYSE Publishing—1000, NYSE Journalism—1000, NYSE Academia—1000, NYSE Research—1000, NYSE Development—1000, NYSE Design—1000, NYSE Architecture—1000, NYSE Engineering—1000, NYSE Manufacturing—1000, NYSE Construction—1000, NYSE Infrastructure—1000, NYSE Energy Production—1000, NYSE Energy Distribution—1000, NYSE Energy Storage—1000, NYSE Energy Efficiency—1000, NYSE Energy Conservation—1000, NYSE Energy Policy—1000, NYSE Energy Regulation—1000, NYSE Energy Economics—1000, NYSE Energy Law—1000, NYSE Energy Ethics—1000, NYSE Energy History—1000, NYSE Energy Future—1000, NYSE Energy Innovation—1000, NYSE Energy Sustainability—1000, NYSE Energy Security—1000, NYSE Energy Resilience—1000, NYSE Energy Flexibility—1000, NYSE Energy Adaptability—1000, NYSE Energy Inclusivity—1000, NYSE Energy Diversity—1000, NYSE Energy Equality—1000, NYSE Energy Justice—1000, NYSE Energy Democracy—1000, NYSE Energy Transparency—1000, NYSE Energy Accountability—1000, NYSE Energy Responsibility—1000, NYSE Energy Integrity—1000, NYSE Energy Honesty—1000, NYSE Energy Trustworthiness—1000, NYSE Energy Reliability—1000, NYSE Energy Availability—1000, NYSE Energy Affordability—1000, NYSE Energy Accessibility—1000, NYSE Energy Usability—1000, NYSE Energy Desirability—1000, NYSE Energy Feasibility—1000, NYSE Energy Viability—1000, NYSE Energy Profitability—1000, NYSE Energy Competitiveness—1000, NYSE Energy Effectiveness—1000, NYSE Energy Efficiency—1000, NYSE Energy Productivity—1000, NYSE Energy Quality—1000, NYSE Energy Quantity—1000, NYSE Energy Variety—1000, NYSE Energy Range—1000, NYSE Energy Scope—1000, NYSE Energy Scale—1000, NYSE Energy Magnitude—1000, NYSE Energy Power—1000, NYSE Energy Force—1000, NYSE Energy Strength—1000, NYSE Energy Impact—1000, NYSE Energy Influence—1000, NYSE Energy Reach—1000, NYSE Energy Extent—1000, NYSE Energy Depth—1000, NYSE Energy Breadth—1000, NYSE Energy Height—1000, NYSE Energy Width—1000, NYSE Energy Length—1000, NYSE Energy Thickness—1000, NYSE Energy Volume—1000, NYSE Energy Mass—1000, NYSE Energy Weight—1000, NYSE Energy Density—1000, NYSE Energy Pressure—1000, NYSE Energy Temperature—1000, NYSE Energy Humidity—1000, NYSE Energy Wind Speed—1000, NYSE Energy Rainfall—1000, NYSE Energy Snowfall—1000, NYSE Energy Ice Melt—1000, NYSE Energy Fog Formation—1000, NYSE Energy Thunderstorm Frequency—1000, NYSE Energy Hurricane Intensity—1000, NYSE Energy Tornado Path—1000, NYSE Energy Earthquake Magnitude—1000, NYSE Energy Volcano Activity—1000, NYSE Energy Asteroid Impact—1000, NYSE Energy Comet Close Approach—1000, NYSE Energy Solar Flare Intensity—1000, NYSE Energy Cosmic Ray Flux—1000, NYSE Energy Gamma Ray Burst—1000, NYSE Energy Neutron Star Collision—1000, NYSE Energy Black Hole Event Horizon—1000, NYSE Energy Dark Matter Distribution—1000, NYSE Energy Dark Energy Expansion Rate—1000, NYSE Energy Gravitational Wave Amplitude—1000, NYSE Energy Higgs Boson Discovery—1000, NYSE Energy CERN Experiment Results—1000, NYSE Energy LHC Proton Beam Energy—1000, NYSE Energy ATLAS Detector Performance—1000, NYSE Energy CMS Detector Sensitivity—1000, NYSE Energy LIGO Interferometer Precision—1000, NYSE Energy Virgo Observatory Noise Floor—1000, NYSE Energy KAGRA Cryogenic System—1000, NYSE Energy GEO600 Laser Power—1000, NYSE Energy AION Squeezed State—1000, NYSE Energy LISA Pathfinder Drag-Free Control—1000, NYSE Energy TianQin Satellite Constellation—1000, NYSE Energy BICEP2 Polarization Signal—1000, NYSE Energy Planck Satellite Calibration—1000, NYSE Energy WMAP Mission Duration—1000, NYSE Energy COBE Satellite Lifetime—1000, NYSE Energy DMR Microwave Receiver—1000, NYSE Energy QUAD Dipole Antenna—1000, NYSE Energy PRISM Spectrometer Resolution—1000, NYSE Energy SDSS Telescope Field of View—1000, NYSE Energy LSST Camera Sensor Size—1000, NYSE Energy DESI Fiber Optic Bundle—1000, NYSE Energy BOSS Galaxy Redshift Survey—1000, NYSE Energy eBOSS Extended BOSS—1000, NYSE Energy DES Dark Energy Survey—1000, NYSE Energy KiDS Galaxy Cluster Sample—1000, NYSE Energy CFHTLS Deep Field—1000, NYSE Energy Subaru Hyper Suprime-Cam—1000, NYSE Energy VISTA Multi-Wavelength Survey—1000, NYSE Energy GEMINI Gemini North Telescope—1000, NYSE Energy Keck II Telescope Mirror Diameter—1000, NYSE Energy Gemini South Telescope Location—1000, NYSE Energy Keck I Telescope Adaptive Optics—1000, NYSE Energy Gemini East Telescope Instrumentation—1000, NYSE Energy Keck II Telescope Observing Time—1000, NYSE Energy Gemini North Telescope Scheduling—1000, NYSE Energy Keck I Telescope Maintenance—1000, NYSE Energy Gemini South Telescope Upgrades—1000, NYSE Energy Keck II Telescope Repairs—1000, NYSE Energy Gemini North Telescope Software—1000, NYSE Energy Keck I Telescope Hardware—1000, NYSE Energy Gemini South Telescope Personnel—1000, NYSE Energy Keck II Telescope Training—1000, NYSE Energy Gemini North Telescope Safety—1000, NYSE Energy Keck I Telescope Environment—1000, NYSE Energy Gemini South Telescope Community—1000, NYSE Energy Keck II Telescope Outreach—1000, NYSE Energy Gemini North Telescope Education—1000, NYSE Energy Keck I Telescope Public Engagement—1000, NYSE Energy Gemini South Telescope Science Programs—1000, NYSE Energy Keck II Telescope Astrophysics—1000, NYSE Energy Gemini North Telescope Cosmology—1000, NYSE Energy Keck I Telescope Particle Physics—1000, NYSE Energy Gemini South Telescope Astronomy—1000, NYSE Energy Keck II Telescope Space Science—1000, NYSE Energy Gemini North Telescope Oceanography—1000, NYSE Energy Keck I Telescope Geophysics—1000, NYSE Energy Gemini South Telescope Meteorology—1000, NYSE Energy Keck II Telescope Climatology—1000, NYSE Energy Gemini North Telescope Environmental Science—1000, NYSE Energy Keck I Telescope Ecology—1000, NYSE Energy Gemini South Telescope Evolutionary Biology—1000, NYSE Energy Keck II Telescope Microbiology—1000, NYSE Energy Gemini North Telescope Botany—1000, NYSE Energy Keck I Telescope Zoology—1000, NYSE Energy Gemini South Telescope Anthropology—1000, NYSE Energy Keck II Telescope Archaeology—1000, NYSE Energy Gemini North Telescope Linguistics—1000, NYSE Energy Keck I Telescope Literature Studies—1000, NYSE Energy Gemini South Telescope History—1000, NYSE Energy Keck II Telescope Philosophy—1000, NYSE Energy Gemini North Telescope Religion—1000, NYSE Energy Keck I Telescope Art—1000, NYSE Energy Gemini South Telescope Music—1000, NYSE Energy Keck II Telescope Theater—1000, NYSE Energy Gemini North Telescope Dance—1000, NYSE Energy Keck I Telescope Cinema—1000, NYSE Energy Gemini South Telescope Video Games—1000, NYSE Energy Keck II Telescope Virtual Reality—1000, NYSE Energy Gemini North Telescope Augmented Reality—1000, NYSE Energy Keck I Telescope Internet of Things—1000, NYSE Energy Gemini South Telescope Cloud Computing—1000, NYSE Energy Keck II Telescope Big Data—1000, NYSE Energy Gemini North Telescope Cybersecurity—1000, NYSE Energy Keck I Telescope Digital Marketing—1000, NYSE Energy Gemini South Telescope E-commerce—1000, NYSE Energy Keck II Telescope Social Media—1000, NYSE Energy Gemini North Telescope Gaming—1000, NYSE Energy Keck I Telescope Entertainment—1000, NYSE Energy Gemini South Telescope Sports—1000, NYSE Energy Keck II Telescope Music—1000, NYSE Energy Gemini North Telescope Film—1000, NYSE Energy Keck I Telescope Television—1000, NYSE Energy Gemini South Telescope Radio—1000, NYSE Energy Keck II Telescope Publishing—1000, NYSE Energy Gemini North Telescope Journalism—1000, NYSE Energy Keck I Telescope Academia—1000, NYSE Energy Gemini South Telescope Research—1000, NYSE Energy Keck II Telescope Development—1000, NYSE Energy Gemini North Telescope Design—1000, NYSE Energy Keck I Telescope Architecture—1000, NYSE Energy Gemini South Telescope Engineering—1000, NYSE Energy Keck II Telescope Manufacturing—1000, NYSE Energy Gemini North Telescope Construction—1000, NYSE Energy Keck I Telescope Infrastructure—1000, NYSE Energy Gemini South Telescope Energy Production—1000, NYSE Energy Keck II Telescope Energy Distribution—1000, NYSE Energy Gemini North Telescope Energy Storage—1000, NYSE Energy Keck I Telescope Energy Efficiency—1000, NYSE Energy Gemini South Telescope Energy Conservation—1000, NYSE Energy Keck II Telescope Energy Policy—1000, NYSE Energy Gemini North Telescope Energy Regulation—1000, NYSE Energy Keck I Telescope Energy Economics—1000, NYSE Energy Gemini South Telescope Energy Law—1000, NYSE Energy Keck II Telescope Energy Ethics—1000, NYSE Energy Gemini North Telescope Energy History—1000, NYSE Energy Keck I Telescope Energy Future—1000, NYSE Energy Gemini South Telescope Energy Innovation—1000, NYSE Energy Keck II Telescope Energy Sustainability—1000, NYSE Energy Gemini North Telescope Energy Security—1000, NYSE Energy Keck I Telescope Energy Resilience—1000, NYSE Energy Gemini South Telescope Energy Flexibility—1000, NYSE Energy Keck II Telescope Energy Adaptability—1000, NYSE Energy Gemini North Telescope Energy Inclusivity—1000, NYSE Energy Keck I Telescope Energy Diversity—1000, NYSE Energy Gemini South Telescope Energy Equality—1000, NYSE Energy Keck II Telescope Energy Justice—1000, NYSE Energy Gemini North Telescope Energy Democracy—1000, NYSE Energy Keck I Telescope Energy Transparency—1000, NYSE Energy Gemini South Telescope Energy Accountability—1000, NYSE Energy Keck II Telescope Energy Responsibility—1000, NYSE Energy Gemini North Telescope Energy Integrity—1000, NYSE Energy Keck I Telescope Energy Honesty—1000, NYSE Energy Gemini South Telescope Energy Trustworthiness—1000, NYSE Energy Keck II Telescope Energy Reliability—1000, NYSE Energy Gemini North Telescope Energy Availability—1000, NYSE Energy Keck I Telescope Energy Affordability—1000, NYSE Energy Gemini South Telescope Energy Accessibility—1000, NYSE Energy Keck II Telescope Energy Usability—1000, NYSE Energy Gemini North Telescope Energy Desirability—1000, NYSE Energy Keck I Telescope Energy Feasibility—1000, NYSE Energy Gemini South Telescope Energy Viability—1000, NYSE Energy Keck II Telescope Energy Profitability—1000, NYSE Energy Gemini North Telescope Energy Competitiveness—1000, NYSE Energy Keck I Telescope Energy Effectiveness—1000, NYSE Energy Gemini South Telescope Energy Efficiency—1000, NYSE Energy Keck II Telescope Energy Productivity—1000, NYSE Energy Gemini North Telescope Energy Quality—1000, NYSE Energy Keck I Telescope Energy Quantity—1000, NYSE Energy Gemini South Telescope Energy Variety—1000, NYSE Energy Keck II Telescope Energy Range—1000, NYSE Energy Gemini North Telescope Energy Scope—1000, NYSE Energy Keck I Telescope Energy Scale—1000, NYSE Energy Gemini South Telescope Energy Magnitude—1000, NYSE Energy Keck II Telescope Energy Power—1000, NYSE Energy Gemini North Telescope Energy Force—1000, NYSE Energy Keck I Telescope Energy Strength—1000, NYSE Energy Gemini South Telescope Energy Impact—1000, NYSE Energy Keck II Telescope Energy Influence—1000, NYSE Energy Gemini North Telescope Energy Reach—1000, NYSE Energy Keck I Telescope Energy Extent—1000, NYSE Energy Gemini South Telescope

																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					</
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	----

IN
Buenos Aires
Bogota

Guatemala
Guayaquil
La Paz
Lima
Managua
Mexico D.F.
Panama
Quito
Rio de Janeiro

		MONTREAL					
		3 pm January 19					
Wheatster 82 1/2	20 1/2	18000	Patman A	280	283	290	-
Wheat 82 1/2	20 1/2	18000	Patman B	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman C	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman D	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman E	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman F	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman G	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman H	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman I	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman J	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman K	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman L	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman M	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman N	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman O	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman P	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman Q	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman R	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman S	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman T	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman U	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman V	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman W	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman X	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman Y	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman Z	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AA	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AB	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AC	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AD	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AE	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AF	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AG	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AH	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AI	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AJ	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AK	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AL	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AM	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AN	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AO	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AP	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AQ	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AR	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AS	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AT	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AU	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AV	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AW	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AX	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AY	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman AZ	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BA	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BB	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BC	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BD	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BE	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BF	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BG	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BH	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BI	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BJ	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BK	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BL	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BM	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BN	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BO	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BP	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BQ	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BR	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BS	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BT	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BU	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BV	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BW	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BX	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BY	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman BZ	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CA	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CB	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CC	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CD	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CE	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CF	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CG	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CH	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CI	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CJ	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CK	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CL	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CM	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CN	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CO	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CP	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CQ	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CR	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CS	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CT	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CU	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CV	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CW	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CX	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CY	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman CZ	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DA	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DB	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DC	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DD	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DE	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DF	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DG	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DH	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DI	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DJ	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DK	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DL	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DM	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DN	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DO	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DP	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DQ	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DR	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DS	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DT	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DU	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DV	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DW	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DX	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DY	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman DZ	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EA	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EB	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EC	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman ED	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EE	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EF	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EG	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EH	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EI	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EJ	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EK	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EL	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EM	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EN	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EO	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EP	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EQ	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman ER	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman ES	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman ET	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EU	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EV	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EW	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EX	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EY	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman EZ	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman FA	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman FB	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman FC	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman FD	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman FE	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman FF	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman FG	324	34	34	-
Home Gold 82 1/2	6 1/2	11200	Patman FH	324	34	34	

[illegible]

41	3666.00	1341/92	3125.40	1410/92	WORLD	1992
42	3747.54	1411/92	3663.16	1414/92	U.S. Capital Int'l./1,000 \$	493.77
43	3800.00	1412/92	3747.54	1415/92	U.S. Capital Int'l./1,000 \$	493.5
44	3800.00	1413/92	3800.00	1416/92	U.S. Capital Int'l./1,000 \$	493.2
45	3800.00	1414/92	3800.00	1417/92	U.S. Capital Int'l./1,000 \$	493.0
46	3800.00	1415/92	3800.00	1418/92	U.S. Capital Int'l./1,000 \$	492.8
47	3800.00	1416/92	3800.00	1419/92	U.S. Capital Int'l./1,000 \$	492.6
48	3800.00	1417/92	3800.00	1420/92	U.S. Capital Int'l./1,000 \$	492.4
49	3800.00	1418/92	3800.00	1421/92	U.S. Capital Int'l./1,000 \$	492.2
50	3800.00	1419/92	3800.00	1422/92	U.S. Capital Int'l./1,000 \$	492.0
51	3800.00	1420/92	3800.00	1423/92	U.S. Capital Int'l./1,000 \$	491.8
52	3800.00	1421/92	3800.00	1424/92	U.S. Capital Int'l./1,000 \$	491.6
53	3800.00	1422/92	3800.00	1425/92	U.S. Capital Int'l./1,000 \$	491.4
54	3800.00	1423/92	3800.00	1426/92	U.S. Capital Int'l./1,000 \$	491.2
55	3800.00	1424/92	3800.00	1427/92	U.S. Capital Int'l./1,000 \$	491.0
56	3800.00	1425/92	3800.00	1428/92	U.S. Capital Int'l./1,000 \$	490.8
57	3800.00	1426/92	3800.00	1429/92	U.S. Capital Int'l./1,000 \$	490.6
58	3800.00	1427/92	3800.00	1430/92	U.S. Capital Int'l./1,000 \$	490.4
59	3800.00	1428/92	3800.00	1431/92	U.S. Capital Int'l./1,000 \$	490.2
60	3800.00	1429/92	3800.00	1432/92	U.S. Capital Int'l./1,000 \$	490.0
61	3800.00	1430/92	3800.00	1433/92	U.S. Capital Int'l./1,000 \$	489.8
62	3800.00	1431/92	3800.00	1434/92	U.S. Capital Int'l./1,000 \$	489.6
63	3800.00	1432/92	3800.00	1435/92	U.S. Capital Int'l./1,000 \$	489.4
64	3800.00	1433/92	3800.00	1436/92	U.S. Capital Int'l./1,000 \$	489.2
65	3800.00	1434/92	3800.00	1437/92	U.S. Capital Int'l./1,000 \$	489.0
66	3800.00	1435/92	3800.00	1438/92	U.S. Capital Int'l./1,000 \$	488.8
67	3800.00	1436/92	3800.00	1439/92	U.S. Capital Int'l./1,000 \$	488.6
68	3800.00	1437/92	3800.00	1440/92	U.S. Capital Int'l./1,000 \$	488.4
69	3800.00	1438/92	3800.00	1441/92	U.S. Capital Int'l./1,000 \$	488.2
70	3800.00	1439/92	3800.00	1442/92	U.S. Capital Int'l./1,000 \$	488.0
71	3800.00	1440/92	3800.00	1443/92	U.S. Capital Int'l./1,000 \$	487.8
72	3800.00	1441/92	3800.00	1444/92	U.S. Capital Int'l./1,000 \$	487.6
73	3800.00	1442/92	3800.00	1445/92	U.S. Capital Int'l./1,000 \$	487.4
74	3800.00	1443/92	3800.00	1446/92	U.S. Capital Int'l./1,000 \$	487.2
75	3800.00	1444/92	3800.00	1447/92	U.S. Capital Int'l./1,000 \$	487.0
76	3800.00	1445/92	3800.00	1448/92	U.S. Capital Int'l./1,000 \$	486.8
77	3800.00	1446/92	3800.00	1449/92	U.S. Capital Int'l./1,000 \$	486.6
78	3800.00	1447/92	3800.00	1450/92	U.S. Capital Int'l./1,000 \$	486.4
79	3800.00	1448/92	3800.00	1451/92	U.S. Capital Int'l./1,000 \$	486.2
80	3800.00	1449/92	3800.00	1452/92	U.S. Capital Int'l./1,000 \$	486.0
81	3800.00	1450/92	3800.00	1453/92	U.S. Capital Int'l./1,000 \$	485.8
82	3800.00	1451/92	3800.00	1454/92	U.S. Capital Int'l./1,000 \$	485.6
83	3800.00	1				

WORLD

1992

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000 \$

493.77

493.5

493.2

493.0

492.8

492.6

492.4

492.2

492.0

491.8

491.6

491.4

491.2

491.0

490.8

490.6

490.4

490.2

490.0

489.8

489.6

489.4

489.2

489.0

488.8

488.6

488.4

488.2

488.0

487.8

487.6

487.4

487.2

487.0

486.8

486.6

486.4

486.2

486.0

485.8

485.6

U.S. Capital Int'l./1,000

**SUBSCRIBE TO
THE FT TODAY**

IN AMERICA CONTACT YOUR NEAREST AGENT

	Phone	Fax
Publicaciones SA	(1) 276661	924 - 1572
Peramerican Press	(1) 256-6095	236 - 9747

encia de Publicaciones (6) 59-5555 59-9491
nchro (11) 579-6482 578-9754
rlar Chile Ltda (2) 632-3037 632-4965

FINANCIAL TIMES
LONDON · PARIS · FRANKFURT · NEW YORK · TOKYO

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

[illegible]

Continued on next page

3 pm January 19

Stock	Div.	Yld	100s	High	Low	Last	Chng	Stock	Div.	Yld	100s	High	Low	Last	Chng	Stock	Div.	Yld	100s	High	Low	Last	Chng	Stock	Div.	Yld	100s	High	Low	Last	Chng
AARFRA	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Seel	0.27	17	68	57	55	55 1/2	+	Lancaster	0.68	18	133	38 1/2	38 1/2	38 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57	55	55 1/2	+	Lancor Inc	0.18	18	499	20 1/2	20 1/2	20 1/2	+	Sealeck	1.20	52	177	24 1/2	24 1/2	32	-1/2
ACC	0.12	4.16	4106	31.7	30	30 1/2	+	Dr Tech	0.20	17	68	57																			

W -

[illegible]

SINGAPORE

The FT proposes to publish this survey on

March 1 1993
For
information telephone
Samantha Telfer
071-873 3050
Fax:
071-873 3595

or

Sarah
Pakenham-Walsh
(Hong Kong
office)
(852) 868 2863
Fax:
(852) 537 1211

FT SURVEYS

AMERICA

Rally in bonds supports
Dow despite IBM news

Wall Street

A BIG fourth quarter loss at IBM unnerved US stock markets early yesterday even though it had been expected, but a rally in bond prices and news of recovering bank earnings helped share prices recover, writes Patrick Harverson in New York.

At 1 p.m. the Dow Jones Industrial Average was up 2.43 at 3,277.34, well off its low for the morning session of 3,254.37. The more broadly based Standard & Poor's 500 was down 0.19 at 436.65, while the Amex composite was 0.37 firmer at 404.16, and the Nasdaq composite was up 0.44 at 696.57. Trading volume on the NYSE was 164m shares by 1 p.m.

In the absence of fresh economic statistics, the attention of investors was focused on corporate earnings and the crisis in the Middle East.

News of attacks by US aircraft on Iraqi air defence sites again cast a cloud over the market, which remains fearful that the conflict in the Gulf could escalate, pushing up oil prices, depressing consumer confidence and dampening optimism about the arrival in office of President Bill Clinton.

On the corporate front, IBM stole the headlines, reporting a

loss in the fourth quarter of \$5.5bn, or \$9.57 a share. Although the figures were within market expectations, a growing number of analysts at the start of the week had been hoping that IBM would pleasantly surprise the market with a smaller than expected loss.

The market's initial reaction to the figures was to sell IBM heavily, pushing the stock down more than \$2 to a low of \$47.4, before buyers moved in to bring the price back to \$49.9, showing a net decline of just \$1. Almost 3m shares changed hands during the first three hours of trading.

Bank stocks were also in the limelight, rising on a succession of earnings reports which confirmed that the sector's recovery from recent problems is continuing apace.

Wells Fargo led the way, jumping \$9 to \$95 on the news that the West Coast banking group had rebounded from a loss a year ago to post an 88 cents-a-share profit in the latest quarter.

Also firmer following the release of better fourth quarter figures were Citicorp, up 3% at \$64, Chemical, up 1% at \$42.7, Banc One, up 1% at \$23.4, and Chase Manhattan, 3% higher at \$30.

Motor stocks rose on a ratings upgrade from broking

house Bear Stearns. Chrysler put on 2% at \$58.4, Ford added \$1 at \$47.1 and General Motors climbed \$1.4 to \$37.4.

PaineWebber fell \$1 to \$24.4 after the Wall Street securities house disappointed the market with a 12 per cent decline in fourth quarter earnings to \$41.4m.

Eastman Kodak rallied from recent weakness, rising \$1.4 to \$50.4 in volume of 3.6m shares after the company said it would cut 3,000 jobs as part of a major cost-cutting effort.

Canada

TORONTO continued to slip in moderate dealings as the market focused on broad-based weakness in some blue-chip shares. The TSX-300 index fell 9.89 to 3,285 in turnover of 22m shares.

Among losers, tobacco giant Imasco slid \$1 to \$38.4 amid fears of tighter regulation on cigarette sales. Alcan Aluminium slipped \$2 to \$22.4 after reporting a sharp fourth quarter loss in the final quarter of last year.

Other active included the Bank of Nova Scotia, which rose 1% to \$22.4, in brisk turnover of more than 1.1m shares as a new president and chief executive officer were named at the annual meeting.

Singapore equities show signs of revival

Hopes of economic recovery have given the market a boost, writes Kieran Cooke

It is Chinese New Year this weekend and Singapore brokers are hoping for big things from the Year of the Roster after the Straits Times industrial index of 30 blue chip stocks reached an 18-month high of 1,577 this week.

Only a few weeks ago it was hard to find a content broker in Singapore but things have changed with speculation that the market could break its all time high of 1,607 - achieved in early 1990 - within a few weeks. The index eased slightly yesterday to close down 3.88 at 1,573.02.

For much of last year Singapore was in the doldrums, overshadowed by a rapid surge in the Hong Kong market and more exciting prospects offered by Kuala Lumpur and Bangkok. Lower than expected second quarter domestic growth figures of 4.7 per cent caused nervousness about trading prospects, with recession or economic slowdown affecting all its main export markets.

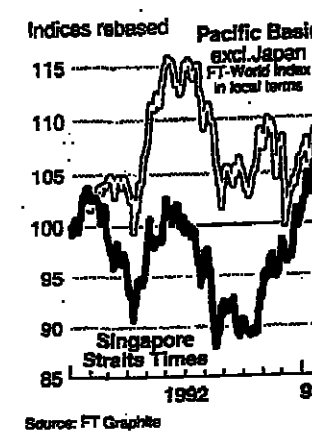
By mid year the market had fallen nearly 12 per cent, with

the index at one point touching the psychologically damaging 1,300 level.

But then the turnaround happened: signs began to emerge that the economy was reviving; overall trade was picking up sharply, particularly in the vital electronics sector, and November non-oil domestic exports rocketed by 29 per cent.

At the same time Governor Chris Patten's argument with China over political reforms for Hong Kong was causing a withdrawal of funds, Singapore, with its reputation as a safe, if somewhat uninteresting, market was felt to be a good port in stormy political times. By the end of December the STI was trading 2.2 per cent up on the year and 16 per cent above its August low.

More good news on the domestic front came in the new year when the government announced economic growth of 5.6 per cent in 1992, with higher growth expected this year. It also said that in spite of generally gloomy



Source: FT Graphics

worldwide economic news in 1992 inward investments had reached a record \$83.5bn (\$2.12bn) over the year.

"The economy now shows all the signs of being on a roll," says Mr Paul Schymczyk of Hoare Govett, Singapore. "Having survived what, in Singapore terms, was a bad news patch early last year the fundamentals of the economy now appear to be sound."

One factor driving the market higher is the government's commitment to lower both corporate and personal income taxes in the March budget, which is likely to result in a boost in corporate earnings and provide a much needed stimulus to the retail sector.

But Singapore is still a narrow market. Despite the rally late last year, turnover shrank to 13.9bn shares worth \$829.6bn in 1992 from 15.5bn shares worth \$830.5bn in 1991. Singapore has also been overshadowed in recent months by Malaysia, which is now twice as large in terms of market capitalisation, while Malaysian shares, traded on Clob International, the over-the-counter market, now account for about 30 per cent of volume.

Hungry investors want a more liquid, less regulated market, with more companies allowed on to the board. The year's main excitement will be the long delayed floatation of Singapore Telecommunications, the highly profitable

state telephone utility.

The government is expected to sell off a 35 per cent stake in the second half with analysts valuing the company at up to \$816m. They say that the floatation will give much needed breadth to a market overly dominated by a small number of stocks.

The government, still a big force on the corporate scene, says that companies must be more adventurous and expand overseas. Only by doing so, it says, will Singapore remain competitive against more outward looking Hong Kong, Taiwan and South Korea.

In the short-term the risks associated with such expansion could disrupt the steady profits growth blue chip investors have become accustomed to. But, in the long-term, it could bring substantial benefits, as Singapore's cash rich conglomerates use their resources to snap up opportunities in the world's most dynamic economic region.

EUROPE

Continent subdued as
hopes of rate cut recede

ACTIVITY was generally subdued yesterday as hopes of a cut in interest rates receded, writes our markets staff.

FRANKFURT continued to improve but some traders commented that the momentum was decreasing with hopes fading for a cut in interest rates at tomorrow's Bundesbank council meeting. The DAX index gained 5.70 to 1,578.83 but off the day's high of 1,585.44 as turnover rose to DM6.2bn from Monday's DM5.2bn.

With most stocks showing gains Schering disappointed with a DM28 fall to DM707 after some brokers issued sell recommendations and lowered 1992 EPS forecasts below DM40 from around DM42. Disappointing fourth quarter sales in the agrochemical division will affect earnings, brokers say.

Thyssen was another loser, down DM3 at DM169.70, after the steel division reported lower earnings for the year ending September 1992.

In the car sector Volkswagen slipped DM5.50 to DM270.50 in spite of improved December sales figures as a number of analysts still consider that the group's recent cost cutting measures do not go far enough. BMW advanced DM10.50 to DM209.50 on a 7 per cent rise in December sales.

ZURICH ended easier but above the day's lows after a session dominated by a German television report that a research institute had found minute particles of asbestos in two drugs produced by Roche. The Roche certificates ended SFR110 down at SFR4,120 after trading as low as SFR4,000.

The SMI index finished 20.7 lower at 2,063.9.

Among other actively traded issues, Alusuisse registered shares put on SFR7 to SFR440 in

FT-SE Actuaries Share Indices

January 19		THE EUROPEAN SERIES									
Hourly changes		Open	10.30	11.00	12.00	13.00	14.00	15.00	Close		
FT-SE Eurofirst 100	1091.79	1093.53	1094.29	1092.13	1092.79	1091.29	1091.13	1091.13	1091.81		
FT-SE Eurofirst 200	1161.04	1163.21	1163.58	1160.91	1160.04	1159.22	1159.22	1159.22	1159.89		
		Jan 19	Jan 19	Jan 19	Jan 19	Jan 19	Jan 19	Jan 19	Jan 19		
FT-SE Eurofirst 100	1097.15	1098.58	1097.93	1093.02	1093.02	1093.02	1093.02	1093.02	1093.02		
FT-SE Eurofirst 200	1166.50	1166.32	1164.08	1154.08	1154.08	1154.08	1154.08	1154.08	1154.08		
Base value 1000 (25/10/1989) (High/Low) 100 - 1094.32/200 - 1154.37/200 - 1159.89											

response to the company's plans to close Switzerland's last aluminium smelter as part of a restructuring forced by overcapacity in the world aluminium industry.

PARIS was subdued and the CAC-40 index finished 0.20 ahead at 1,877.74, off the day's high of 1,840.44. Turnover slipped to FF2.3bn from FF2.5bn.

BSN rose FF6 to FF914 after news that it was to co-operate with Unilever in the development of new yoghurt and ice cream products.

AMSTERDAM lost a little ground as the CBS Tendency index fell 0.1 to 98.3. Philips went against the trend with a 90 cents rise to FF2.60 after reporting that its US lighting division had made its first operating profit in eight years in 1992. Royal Dutch lost FL1.30 to FL149.90 after the group forecast disappointing 1993 earnings.

MILAN closed off the session highs as domestic institutions began to take profits. Foreign interest was also muted and the Comit index registered a 3.03 rise to 487.96.

Shares in Gemina, a financial holding company with links to Fiat, was a strong performer, adding L65 to L1,275 before retreating to L1,245 in after-hours trading.

MADRID eased on profit-taking after recent gains and the general index closed 0.51 lower at 2,257.7.

BERLIN'S DAX was supported by Tractebel, up BF160 or 2 per cent to BF2,010, as the Bel-20 index put on 5.03 to 1,145.67 in turnover of BF1.1bn.

STOCKHOLM finished little changed after a dull session which saw the Affarsveiden index edge up 1.0 to 934.8 in moderate turnover of SKr633m. Bank shares turned back after three straight sessions of strong advances.

OSLO saw slight gains but activity remained subdued and the all-share index put on 1.49 to 388.53 in turnover of Nkr152.6m. Norsk Hydro added Nkr2 to Nkr163 while Saga Petroleum free shares lost Nkr2 to Nkr8.

COPENHAGEN advanced further with the KFX index gaining 1.53 to 81.16 in solid turnover of some DKr1bn.

VIENNA was encouraged by neighbouring markets and the ATX index rose 11.56 to 730.64. Austrian Airlines gained Sch36 to Sch4.55 on unsubstantiated reports that it was seeking a cut back in staff salaries.

ISTANBUL weakened with the 75-share market index closing down 20.92 at 3,996.24 in turnover of some TL75.5bn. Ereğli shed TL1.50 to TL2.275.

ASIA PACIFIC

Nikkei average rises on arbitrage buying

enter the personal computer price war by launching new low priced models. Canon rose Y20 to Y1,370 after announcing a new 24-inch liquid crystal display development.

In Osaka, the OSE average gained 91.23 to 18,143.51 in volume of 71.7m shares.

Tokyo

TECHNICAL trading dominated activity yesterday, and share prices posted moderate gains on arbitrage buying and small-pot purchases by public funds, writes Emiko Terazono in Tokyo.

The Nikkei average closed up 181.40 at 16,798.64 having fallen to the day's low of 16,645.33 in the first hour before advancing on constant arbitrage-linked buying and hitting the day's high of 16,798.74 just before the close.

Volume remained thin at 180m shares against 140m with dealers and public fund managers being the only notable players as most large-list investors remained on the sidelines. Advances led declines by 638 to 254 with 202 issues remaining unchanged. The Topix index of all first section stocks gained 9 to 1,276.07 and in London the ISE/Nikkei 50 index rose 2.32 to 1,045.22.

Brokers said that most investors remained cautious over the future of the economy while foreign investors have also been absent.

Mitsui Mining and Smelting drew heavy buying interest and gained Y10 to Y470 after the Metal Mining Agency of Japan confirmed the existence of a gold vein discovered last year, in which the Mitsui has a major stake.

Izumi Motors, the most active issue of the day, rose Y44 to Y558 on active buying. Real estate issues advanced on rumours of government plans to ease its land policy. Mitsui Fudosan gained Y10 to Y995 and Mitsubishi Estate rose Y10 to Y915.

High-technology issues were higher on hopes of an early US economic revival. Toshiba rose Y5 to Y532 and Sony Y35 to Y4,210. NEC jumped Y35 to Y665 on reports that it would

Roundup

THE region was mixed yesterday.

HONG KONG saw good foreign interest lift the Hang Seng index 15.83 to 5,979.90 in turnover of HK\$2.4bn.

Cathay Pacific put on 15 cents to HK\$9.40 in spite of the continuing strike by flight attendants but Swire Pacific, the parent group, fell 75 cents to HK\$30.25.

HSBC Holdings lost 50 cents to HK\$39.50.

AUSTRALIA saw a late burst of bargain hunting lift the market from its lows and the All

Ordinaries index finished 9.7 lower at 1,519.1 in turnover of A\$221.97m.

The banking sector was active with 7.2m shares traded. Westpac lost 8 cents to A\$2.79, after a low of A\$2.76, as investors registered their disappointment that the bank did not appoint a new managing director at the annual meeting.

In contrast, news that the Advance Bank had posted a 38 per cent rise in half year profit to A\$28.4m lifted its stock 26 cents to A\$8.36.

TAIWAN rose in active trading after Premier Hau Pei-tsun agreed to resign thereby helping to ease recent political tensions. The weighted index closed up 63.82 or 1.9 per cent at 3,420.62. Turnover rose to T\$16.1bn T\$12.3bn.

Cement and electronics shares were strong on institutional buying, with Acer gaining T\$1.20 to T\$19.70.

JAKARTA was steady and

volume returned to normal levels after Monday's heavy trading in Astra International, when the Soeradjaya family sold more than 100m of the shares to a 15-member consortium in a deal worth at least Rp100bn (\$484m). The shares fell Rp100 to Rp9100.

The official index eased 0.79 to 277.15.

MANILA closed lower on the combined pressure of profit-taking and selling influenced by a \$2.50 slide to \$32 by Philippine Long Distance Telephone in overnight US trading.

The composite index lost 23.66 to 1,282.99.

A government order to break up PLDT's monopoly left investors uneasy and the shares fell 45 pesos to 825 pesos.

SEOUL was firmer in relatively weak trading as the buying of large-capitalisation shares gained momentum on the back of the government's plan to lower interest rates.

The composite stock index ended 6.09 higher at 699.32 in turnover of Won668.74bn compared with Monday's Won559.81bn.

KUALA LUMPUR fell marginally amid uncertainty over the proposed constitutional amendments to limit the powers of the country's nine hereditary rulers. The composite index closed 0.25 lower at 624.12 in volume of 65.6m shares.

Multi-Purpose Holdings, which had gained on Monday on unsubstantiated rumours that a Hong Kong company has obtained a gaming licence in China, eased 6 cents to M\$1.77, off the day's high of M\$1.82.

BANGKOK saw the bank and finance sector lift the market as Thai Farmers Bank announced higher 1992 earnings. The SET index gained 10.98 to 948.57 in turnover of B\$7.5bn.

GREEK EXPORTS S.A.

ANNOUNCEMENT
OF A PUBLIC AUCTION FOR THE HIGHEST BID

GREEK EXPORTS S.A., based in Athens at 17 Panepistimiou Street and legally represented, in its capacity as Liquidator in accordance with article 14 of law 2000/1991, and following decision No. 933/1992 of the Athens Court of Appeal

ANNOUNCEMENT
A public auction for the highest bid, with sealed, binding offers for the purchase, in toto, of the assets of the Industrial and Commercial Heating Products Company (ABEITH) S.A. established in Athens at 10 Ermoussis Street, Rizopolis and which is under special liquidation.

ACTIVITY AND BRIEF DESCRIPTION OF THE COMPANY
The Industrial and Commercial Heating Products Company (ABEITH) S.A. operates in a rented space within the installations of THERMIS S.A. at 10 Ermoussis Street, Rizopolis. Its activities include the production and sale of steel boilers and steel heating radiators, the sale of heating and air conditioning equipment and the assembly of elements for the manufacture of the above items supplied from Greece or from abroad. These products are of a high quality and bear the recognised trademark of "THERMIS" which it owns and which it is authorised to use.

TERMS OF THE AUCTION

- In order for the auction to take place, all interested parties are invited to receive from the Liquidator, the Offering Memorandum which describes in more detail the assets of the Company for sale, its obligations, and the necessary procedures for its transfer, as well as the form of the Letter of Guarantee needed for the submission of a binding offer to the Athens court public auction on Wednesday 10th February 1993 at 10.00 hours.
- Bids will be submitted before the above notary on Thursday 11th February 1993 at 10.00 hours and with the Liquidator in attendance. All those who have submitted bids within the prescribed time limits can also attend. Any bids submitted beyond the prescribed time limits will not be accepted or considered.
- The sealed, binding offers must clearly state the price offered for the purchase, in toto, of the Company's assets and must be accompanied by a Letter of Guarantee from a bank legally operating in Greece, for the amount of twenty million drachmas (20,000,000 dr.) or its equivalent in U.S. dollars.
- The Company's assets and all fixed and circulating contingent parts thereof, such as immovable and movable property, claims, trademarks, titles, rights, rights for mineral or exploration, etc. are to be sold and transferred "as is, where is" and, more specifically, in their actual and legal condition and location on the date on which the sale contract is signed, regardless of whether the Company is operating or not, and with the proper legal procedure.
- The Liquidator, the Company and the creditors representing 51% of the total claims against the Company (Law 1892/90 article 46a, para. 1 as in force), known hereafter as the Majority Creditors, shall bear no liability for any legal or actual defects or for any deficiency in the effects and rights for sale nor for the possible refusal of the State to approve, as required, the transfer of elements of the assets, nor for their incomplete or faulty description in the Offering Memorandum and in any correspondence. In the event of incomplete assets, entries in the Company's books, as they stand on the date of signature of the sale contract, shall prevail.
- Prospective buyers hereafter referred to as "Buyers", shall be obliged, on their own responsibility and due care, and by their own means and at their own expense, to inspect the object of the sale and form their own judgement and declare in their bid that they are fully aware of the actual and legal condition of the assets for sale. The Buyers are hereby reminded that, in accordance with the provisions of Law 1892/90, article 46a, para. 4 as in force, having agreed in writing to maintain confidentiality, they are entitled to have access to any information they may require concerning the Company for sale.
- Bids should not contain terms which might prevaricate their bindingness or any vagueness concerning the offered price and its method of payment, or any other matter of importance to the sale. The Liquidator and the Majority Creditors have the right, at their incontestable discretion, to reject offers which contain terms and conditions, irrespective of whether these offers contain a higher price than that of other bidders. Such unacceptable terms would be, for example, requests for the repair, improvement or transfer of fixed assets, or requests for guarantees in the collection of claims or the outcome of court action brought by the company in its defence, or compliance with recommendations regarding the security of the installations, or for safeguarding the insurance cover, etc.
- In the event that the person to whom the auction is adjudicated, fails in his obligation to appear within twenty (20) days from being invited to do so, and sign the relative sale contract and fails to abide by the other obligations accruing from the present announcement, then the above-mentioned guarantee of twenty million drachmas (20,000,000 dr.) is forfeited to the Liquidator in compensation for expenses of any kind, time spent, and any actual or hypothetical loss sustained, with no obligation on the Liquidator's part to furnish any specific proof or deem that the amount has been forfeited to him as a penalty clause, and collect it from the guarantor bank.
- Guarantees deposited by other bidders shall be returned to them after the Liquidator's evaluation report has been approved by the Majority Creditors and the highest bidder's guarantee shall be returned to him after he has paid the sale price and the act of settlement has been drawn up and signed.
- The highest bidder is deemed the one whose offer has been so judged by the Liquidator and approved by the Majority Creditors as being in their best interests.
- The Liquidator shall not be liable to participate in the auction either with respect to the evaluation report or for his selection of the highest bidder and neither will he be liable to them for the cancellation of the auction in the event that its outcome is not approved by the Majority Creditors.
- Participants in the auction do not acquire any right, claim or demand from the present announcement or from their participation in the auction, against the Liquidator, for any cause or reason.
- Transfer expenses of the assets for sale (taxes, stamp duty, material and mortgage's fees, rights and other expenses for drawing up topographical diagrams as required by Law 651/77, etc.) are to be borne by the Buyer.

Interested parties should apply for further information to:

- The head office of the Hellenic Industrial Development Bank, Directorate of Public Holdings, at 87 Syngrou Ave. 2nd floor, 117 45 Athens, Greece. Tel. 30-1-929.4395 and 929.4396 and to
- Greek Exports S.A., 17 Panepistimiou Street, 1st floor, 105 64 Athens, Greece. Tel. 30-1-324.3111-115.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS		MONDAY JANUARY 18 1993										FRIDAY JANUARY 15 1993										DOLLAR INDEX	
Figures in parentheses show number of lines of stock		US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	% chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1982/93 High	1982/93 Low	Year ago approx.						
Australia (66)	120.99	+0.7	115.76	98.09	101.62	118.97	+0.4	4.08	120.09	118.37	95.72	102.11	118.48	153.68	108.18	130.02	150.00						
Austria (10)	132.34	+0.9	128.63	105.12	111.16	111.38	+0.5	2.19	148.84	142.29	104.55	111.82	110.82	160.70	118.16	167.28	131.16						
Belgium (42)	134.17	+0.6	126.37	106.56	112.69	110.36	-0.2	5.47	133.37	125.24	106.30	113.41	110.52	152.27	131.19	140.27	141.21						
Canada (113)	113.02	-0.1	108.14	88.78	94.92	104.47	-0.5	3.16	113.09	109.59	90.14	98.18	104.99	142.12	111.38	142.09	142.21						
Denmark (33)	116.86	+6.0	109.33	157.15	166.18	167.35	+4.9	1.63	180.70	180.91	148.62	158.75	168.68	273.94	181.70	266.65	266.65						
Finland (22)	71.42	-1.7	58.33	52.72	59.88	81.06	-1.3	1.74	72.69	70.43	67.94	61.80	82.14	89.80	52.84	80.00	82.84						
France (105)	120.99	+1.6	118.48	104.99	110.52	110.82	+0.5	2.19	148.84	142.29	104.55	111.82	110.82	160.70	118.16	167.28	131.16						
Germany (82)	106.29	+3.0	101.70	84.44	88.27	89.27	+1.7	2.55	103.24	100.40	82.30	87.18	77.78	104.99	68.52	104.99	104.99						
Hong Kong (85)	235.87	+0.4	228.67	187.34	192.12	234.28	+0.3	3.84	235.04	227.75	187.34	199.86	238.20	228.22	176.36	186.96	186.96						
Ireland (18)	142.34	+1.8	136.19	113.05	118.95	122.29	+0.2	4.34	140.90	136.76	111.69	111.22	112.04	173.71	122.96	171.94	171.94						
Italy (105)	120.99	+1.6	118.48	104.99	110.52	110.82	+0.5	2.19	148.84	142.29	104.55	111.82	110.82	160.70	118.16	167.28	131.16						
Japan (172)	101.06	+0.3	96.71	80.26	94.92	80.26	+0.0	3.16	100.75	97.93	82.30	87.18	77.78	104.99	68.52	104.99	104.99						
Malaysia (69)	259.85	+1.4	248.63	206.28	218.24	259.05	+1.6	2.56	256.21	248.27	204.21	217.34	256.81	282.22	212.49	281.87	281.87						
Mexico (18)	1648.43	-0.1	1677.22	1303.27	1384.51	1605.19	-0.1	0.97	1660.98	1589.73	1315.82	1403.74	1611.72	1789.77	1185.84	1515.61	1515.61						
Netherlands (10)	120.99	+1.6	118.48	104.99	110.52	110.82	+0.5	2.19	148.84	142.29	104.55	111.82	110.82	160.70	118.16	167.28	131.16						
New Zealand (22)	41.77	+0.8	38.97	33.18	35.09	43.06	+0.4	5.06	41.51	40.23	35.90	32.91	35.90	42.91	31.92	42.91	42.91						
Norway (12)	144.89	+1.1	138.44	114.92	121.53	133.94	+0.1	1.80	143.08	138.64	114.05	121.68	133.76	192.25	136.05	192.25	136.05						
Sweden (38)	210.68	-0.1	201.58	167.34	176.96	180.83	+0.0	2.05	210.42	203.90	160.72	179.81	180.77	229.63	176.65	227.11	227.11						
Switzerland (10)	187.24	+0.5	182.59	144.79	144.79	187.24	+0.5	3.98	186.40	182.59	144.79	144.79	187.24	203.60	171.00	203.60	203.60						
Spain (47)	126.14	+1.7	120.69	101.09	105.94	109.96	+0.7	5.54	124.04	120.20	98.88	105.47	108.82	181.17	107.10	181.17	181.17						
Sweden (38)	182.59	-0.9	155.57	129.14	136.55	174.02	+0.3	2.47	181.13	156.13	128.44	137.01	173.47	202.27	145.69	202.27	145.69						
Switzerland (10)	112.27	+0.7	107.42	89.17	94.51	103.05	+0.4	2.08	111.46	108.00	88.95	94.78	103.48	122.26	99.99	107.50	107.50						
United Kingdom (226)	172.25	+0.6	167.82	138.79	144.79	167.82	+0.6	3.84	172.25	167.82	138.79	144.79	167.82	203.60	171.00	203.60	203.60						
USA (522)	175.57	-0.1	170.86	141.26	145.95	175.57	-0.1	2.87	175.57	175.57	141.26	145.95	175.57	203.60	171.00	203.60	203.60						
Europe (781)	137.56	+1.5	131.82	108.26	115.54	129.07	+0.4	3.77	138.47	131.27	107.98	111.19	124.56	156.88	108.18	156.88	108.18						
Nordic (114)	149.59	+1.8	143.13	118.82	126.64	142.02	+1.2	2.18	146.84	142.29	117.05	124.68	140.29	188.52	141.24	188.52	141.24						
Pacific Basin (715)	106.29	+0.4	101.99	84.42	89.27	88.15	+0.1	1.40	106.88	102.61	81.41	90.04	86.12	141.97	93.02	141.97	93.02						
Europe - Pacific (1496)	118.35	+0.5	113.81	94.47	99.90	101.65	+0.2	2.62	117.67	114.22	93.94	100.22	101.42	145.21	113.80	136.17	113.80						
North America (833)	118.35	+0.5	113.81	94.47	99.90	101.65	+0.2	2.62	117.67	114.22	93.94	100.22	101.42	145.21	113.80	136.17	113.80						
Asia - Pacific (555)	118.35	+0.5	113.81	94.47	99.90	101.65	+0.2	2.62	117.67	114.22	93.94	100.22	101.42	145.21	113.80	136.17	113.80						
Pacific Ex. US Japan (243)	157.29	+0.8	150.50	124.95	132.12	148.40	+0.5	2.83	156.31	151.47	124.81	132.22	145.73	176.31	115.93	162.01	115.93						
World Ex. Japan (887)	120.13	+0.9	114.85	96.12	100.50	100.75	+0.2	3.93	119.10	115.41	94.94	101.27	103.56	146.91	93.02	146.91	93.02						
World Ex. UK (1983)	135.73	+0.4	128.67	107.19	114.94	128.67	+0.1	2.48	135.23	131.05	107.19	114.99	122.88	158.08	127.21	158.08	127.21						
World Ex. Japan (887)	120.13	+0.9	114.85	96.12	100.50	100.75	+0.2	3.93	119.10	115.41	94.94	101.27	103.56	146.91	93.02	146.91	93.02						
World Ex. Japan (1737)	160.12	+0.5	153.20	127.19	134.01	153.83	+0.1	3.21	159.30	154.34	126.59	135.47	153.65	185.40	151.93	185.40	151.93						
The World Index (2209)	138.90	+0.5	132.90	110.32	116.67	126.69	+0.1	2.88	138.25	133.97	110.20	117.56	128.58	153.60	108.66	153.60	108.66						